

# Purchasing Week

McGraw-Hill's National Newspaper of Purchasing

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New York, N. Y., January 6, 1958

\$6 a Year

## 1958 Will Be Stormy Year on Labor Front

### Seaway Will Link Lake Ports with World

Just a year away, in the spring of 1959, the interior of North America will be linked with the oceans of the world. This eighth sea will have a tremendous impact on purchasing practices throughout United States and Canada. It will add 4,300 miles of coastline to an area already containing more than 50% of the combined production facilities of both countries.

As tomorrow's traffic artery for industrial goods, the St. Lawrence Seaway offers purchasing executives six advantages:

1. Cheaper bulk transportation for raw materials such as iron ore, coal, chemicals, petroleum, limestone, pulpwood, etc.
2. Direct access to foreign sources of supply and markets, offering 1/3 drop in transportation costs.
3. Growth of new industries taking advantage of cheap power and low distribution

(Continued on page 19)

### Shippers Fight Freight Boosts

Washington—Protesting shippers are gearing for a fight against the new round of freight increases asked by the nation's railroads.

Individual shippers, shipping associations, and transportation councils began this week to align forces to carry their protests to the Interstate Commerce Commission.

Railroads asked the I.C.C. to grant rate increases on a selected commodity basis totaling close to \$200 million a year, effective Feb. 1. When the rails filed their

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### Prices to Level On Lead, Zinc

Washington—Domestic prices of lead and zinc will stay at about their present levels over the new year. Pending tariff boosts on foreign imports, and the end to government support purchases of domestic output will tend to balance out.

The outlook for world markets of lead and zinc, including the domestic situation, centers around a problem of supply and demand rather than one of price. That's the consensus of both industry and government metals experts though producers are leery of sounding overpessimistic for obvious public relations reasons.

Current domestic prices—13¢ on pig lead, New York, and 10¢ on prime western slab zinc, St. Louis—may firm up slightly early in 1958. But the economics

(Continued on page 38)



IROQUOIS LOCK, most westerly of seven locks needed for the Seaway, is now open to traffic. Others will be ready when needed in 1959.

### P.A.'s Have Opportunity in '58

By Dexter M. Keever and Robert P. Ulin

New York—The year 1958 promises to be a year of unprecedented opportunity for the purchasing agent. It will be opportunity to make or break his company by the skill or lack of it with which he exercises his purchasing art under the extraordinarily exacting conditions which will prevail. And, of course, it will also be opportunity for the P.A. to make or break himself in the same process.

Contrary to the pessimists here and abroad who sit shivering while waiting for the American economy to crash, 1958 will, we confidently believe, turn out to break all previous records for the volume of business activity. But these records will be attained under conditions so fast-moving and fast-shifting that they will try the nerves of the most alert and toss into the business ash can those who snooze on the job.

Sometime during the year we shall see an upswing in many lines of business. But in 1958 we shall also see by far the most competitive year since the end of World War II.

This very fact spells special opportunity for purchasing agents. In fact, they will be key men in developing the business policies

(Continued on page 37)

### Weeks Optimistic On 12-Month Outlook

Washington—Commerce Secretary Sinclair Weeks, in an optimistic outlook for the new year, believes the economic situation now may not be as rosy as we want, but the 12-month outlook is far better "than nail-biting pessimists think."

Weeks, reporting a record gross national product of about \$435 billion in 1957, said he expects the level of business to be high in 1958 "with output larger than in most years." He underscored as factors in the expected climb a step-up in defense spending, and what he described as "history's greatest highway project moving faster from blueprint to construction stage."

### Inventories Pose Big ? for P.A.'s

New York—Tight inventories are sitting on a teeter board opposite sales and balancing themselves on the current business trend.

Up and down they go and where they'll stop...

A Purchasing Week survey this week showed that purchasing executives had varied thoughts on that topic.

As a P.A. for a large Milwaukee heating equipment firm frankly says:

"We're playing close to the belt and will move as the economy moves."

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### This Week's Purchasing Perspective

JAN. 6-12

The first week of 1958 made it perfectly clear... the buying bugaboos which harassed purchasing executives and other front office brass in 1957 did not die with the old year. Note the headlines in this edition of PURCHASING WEEK... tightbelt inventories... higher freight rates... price uncertainty. You can also add a new disruption... stormy labor negotiations ahead.

But there is a difference. It's battlefield know-how. The buying skills acquired and sharpened during the early stages of an economic turndown can now be applied with a fresh vengeance.

There's no substitute for experience, especially in purchasing. And that's what P.A.'s got during 1957 when production and sales swung out of balance and the management spotlight focused on the purchasing department office. Then the head man there strove to pare inventories, deal with tight money problems, and better assess suppliers for price, delivery and quality under so-called "recession" conditions (See Inventories, Page 1).

The cutback know-how absorbed during 1957 should go a long way in 1958—with seasoned purchasing guiding management back to some of the confidence it lost in the basic vigor of U. S.

(Continued on page 38)

There Will Be a Lot of Negotiating; Management Is Being Squeezed by Rising Costs and Falling Sales; Unions Want What Others Got Previously

Washington—"This is going to be a stormy year on the labor front," says federal mediation chief Joseph F. Finnegan.

That could be the year's understatement.

A look at the 1958 bargaining picture (p. 4) reveals some of the trouble that Finnegan (and industry's own negotiators) anticipates.

It's one of the biggest negotiating years in recent times. Many important new contracts are coming up—particularly the key spring negotiations in the auto industry.

That purchasing agents can anticipate their own particular type of woes out of the complicated cross-currents is pretty evident. For example—Labor Secretary James P. Mitchell's anticipation of more strikes in 1958... a prediction based on a minimum of economic and other troubles that would have a bargaining impact. And if Mitchell's estimates of 1958, which he sees as a year of "economic readjustment," are proved too optimistic, the new year will indeed be stormy.

(Continued on page 4)

### Capital Outlays To Drop 7%

American industry will start the new year with plans to reduce capital outlays by 7%. That's the story revealed by a preliminary McGraw-Hill survey on business plans for capital spending.

The big drop in 1958 will be concentrated in manufacturing where a 16% slide is anticipated. Nearly all major industrial groups will share in the decline.

Cuts of more than 20% are scheduled for iron and steel, non-ferrous metals, autos and trucks, metal working, paper and pulp, and textiles. The important mining industry is scheduled for an 18% cut.

Sharp increase in manufacturing capacity is the major reason for capital outlays declining. Production capabilities of new plant and equipment has outpaced consumer and industrial demand. The McGraw-Hill survey revealed that every manufacturing

(Continued on page 37)

### Railroad Freight to Drop

Washington—The first quarter of the new year will see a 3.8 per cent lag behind the corresponding period of 1957 for recently sagging railroad freight volume, the Association of American Railroads predicted.

### Democrats Will Battle Ike's Rule

Washington—The Democrats who run Congress, for the first time since President Eisenhower moved into the White House five years ago, are about to dispute his plans for running the country.

They're after Eisenhower and the Republicans on two overriding issues that will color practically every week's work of Congress for the next six or seven months:

- How to catch up with the Russians in missile development, scientific achievement generally, and in defense planning for the future.

- How to make sure the admitted beginnings of a business recession, now with us, don't develop into a real business setback.

How these issues are handled will directly affect the course of business. They'll affect business confidence and consumer confidence and thus have a bearing on what happens to prices, supply and demand for basic materials, components, and finished products of all kinds during the months ahead.

### You Can Do It

Do you want to raise your status in the company? Read and follow the rules set down in "How a Purchasing Agent Can Impress His Top Management." See p. 16.





THIS BAROMETER Was Designed Especially for the Readers of PURCHASING WEEK by the McGraw-Hill Department of Economics

This Week's

## Price Perspective

Jan. 6-12

Most P.A.'s still face the \$64,000 question: What's in store for '58? Unfortunately there is no simple answer.

We do know the days of shortages are gone. But that doesn't automatically mean we're in for a series of price cuts.

True, some of the upward pressures on prices have lifted. But there is still plenty of steam left in the price structure—certainly enough to prevent any sharp drop.

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Take a look at what's happened in the past few months and you get a clue to future price trends.

The price effect of sagging demand has been felt mainly at the primary spot level (see chart above).

But significantly enough, general industrial wholesale tags and consumer prices have not followed suit to any great extent as yet. True, the wholesale price rise has been stopped—but that's all. On the consumer level prices are still rising. Why the disparity in various prices?

1. **Lag Factor**—Drops in key commodities usually take several months to percolate through to the industrial and consumer levels.

2. **Complexity Factor**—Cuts in raw material have a tendency to get lost in the multiple production and distribution processes unless they are general and of significant intensity.

3. **Other Costs Factor**—Still rising labor and equipment costs often tend to offset raw material price drops.

4. **Profit Factor**—Competition has forced many firms to reduce margins. Such firms will often use raw material price cuts to adjust profit margins to more normal levels.

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### How is 1958 shaping up?

On the primary spot level our clues come mostly from current price news plus the recent trend in production.

In recent weeks spot prices have begun to straighten out. Production cut-backs, such as are occurring in copper and steel, will guarantee against any further sharp declines.

But don't expect stability. Interplay of supply and demand will continue to set the daily price tone.

• • •

On the industrial wholesale price level—Some of the recent spot cuts have and will continue to percolate through.

But they'll be limited. We don't anticipate more than a 1-2% drop over the first 6 months of 1958.

If labor ups its demands (p. 1)—and nobody really knows what pace-setter Reuther is going to ask for—the drop could be a lot less or may not materialize at all.

A slow rising trend should set in during the second half as increased military and consumer spending prop the economy.

### On the consumer level—The current uptrend will peak out.

There'll be spotty drops in some consumer items. Bigger discounts (on cars, for example) can be expected.

But increases in the price of services—like recreation, transportation, and medical expenses—will just about offset these declines, keep overall consumer prices on an even keel.

Second half '58 should see resumption of slow uptrend.

## This Week's Commodity Prices

### METALS

	Jan. 1	Dec. 25	Year Ago	% Chg.
Pig iron, Bessemer, gross ton	67.00	67.00	63.50	+5.5
Pig iron, basic, gross ton	66.00	66.00	62.50	+5.6
Pig iron, #2 foundry, gross ton	66.50	66.50	63.00	+5.6
Steel, billets, Pitts. net ton	77.50	77.50	74.00	+4.7
Steel, structural shapes, Pitts., cwt	5.275	5.275	5.00	+5.5
Steel, bars, del'd., Phila., cwt	5.725	5.725	5.365	+6.7
Steel, bars, Pitts., cwt	5.425	5.425	5.075	+6.9
Steel scrap, #1 heavy, del. Pitts., gross ton	32.00	32.00	65.00	-50.8
Steel scrap, #2 heavy, del. Pitts., gross ton	30.00	30.00	58.00	-48.3
Steel scrap, #1 heavy, del. Cleve., gross ton	27.00	27.00	64.50	-58.1
Steel scrap, #2 heavy, del. Cleve., gross ton	21.00	21.00	55.00	-61.8
Aluminum, pig, lb	.26	.26	.25	+4.0
Secondary aluminum, #380 lb	.2213	.2227	N.A.	N.A.
Copper, electrolytic, wire bars, refinery, lb	.266	.266	.356	-25.3
Copper scrap, #2, smelters price, lb	.19 1/4	.19	.28 1/2	-32.5
Lead, common, N.Y., lb	.13	.13	.16	-18.8
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.70	.70	.230	-69.6
Tin, Straits, N.Y., lb	.91750	.92625	.995	-7.8
Zinc, Prime West, East St. Louis, lb	.105	.10	.135	-22.2

### FUELS

	Jan. 1	Dec. 25	Year Ago	% Chg.
Fuel oil #6 or Bunker C, Gulf, bbl	2.55	2.55	2.40	+6.3
Fuel oil #6 or Bunker, N.Y. barge, bbl	2.95	2.95	3.05	-3.3
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.85	2.85	2.55	+11.8
LP-Gas, Propane, Okla. tank cars, gal	.05	.045	.05	0
Gasoline, 91 oct. reg. Chicago, tank car, gal	.1275	.1275	.12 1/4	+4.1
Gasoline, 84 oct. reg. Los Angeles, rack, gal	.126	.126	.131	-3.8
Coal, bituminous, slack, ton	6.05	6.05	5.80	+4.3
Coke, Connellsville, furnace, ton	15.25	15.25	14.50	+5.2

### CHEMICALS

	Jan. 1	Dec. 25	Year Ago	% Chg.
Ammonia, anhydrous, refrigeration, tanks, ton	86.50	86.50	82.50	+4.8
Benzene, petroleum, tanks, Houston, gal	.36	.36	.36	0
Caustic soda, 76% solid, drums, carlots, cwt	4.30	4.30	4.30	0
Coconut oil, inedible, crude, tanks, N.Y. lb	.14 5/8	.14 1/2	.12 7/8	+13.7
Glycerin, synthetic, tanks, lb	.28	.28	.28	0
Linseed oil, raw, in drums, carlots, lb	.187	.187	.167	+12.0
Phthalic anhydride, tanks, lb	.20 1/2	.20 1/2	.20 1/2	0
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.41	-14.6
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.20	9.20	9.70	-5.2
Shellac, T.N., N.Y. lb	.34	.34	.41	-17.1
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66%, commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.08 1/4	.08 1/4	.08 1/2	-3.0
Titanium dioxide, anatase, reg. carlots, lb	.235	.235	.235	0

### PAPER

	Jan. 1	Dec. 25	Year Ago	% Chg.
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	16.15	+5.3
Bond paper, #1 sulfite, water marked, 20 lb carton lots, CWT	24.20	24.20	23.55	+2.8
Chipboard, del N.Y., carlots, ton	100.00	100.00	105.00	-4.8
Kraft liner, 42 lb del. N.Y., ton	127.50	127.50	127.50	0
Wrapping paper, std, Kraft, basis wt. 50 lb rolls	9.50	9.50	9.25	+2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.60	-3.0

### BUILDING MATERIALS

	Jan. 1	Dec. 25	Year Ago	% Chg.
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del N.Y., bbl	4.42	4.42	4.23	+4.5
Glass, window, single B, 40" bracket, box	7.09	7.09	7.88	-10.0
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	113.00	113.00	117.00	-3.4
Douglas fir lumber, 2x4, s4s, trucklots, fob N.Y.	116.00	116.00	119.00	-2.5

### TEXTILES

	Jan. 1	Dec. 25	Year Ago	% Chg.
Binder twine, std. 50 lb bale	8.75	8.75	8.783	-.4
Burlap, 10 oz, 40", 100 yd	10.35	10.40	11.60	-10.8
Cotton, 1", lb	.3640	.3655	.347	+4.9
Printcloth, 39", 80x80, N.Y., spot, yd	.178	.178	.188	-5.3
Wool tops, N.Y. lb	1.560	1.565	1.98	-21.2

### HIDES AND RUBBER

	Jan. 1	Dec. 25	Year Ago	% Chg.
Hides, cow, light native, packers, lb	.14	.13 1/2	.135	+3.7
Rubber, #1 std ribbed smoked sheets, lb	.29 1/4	.30	.375	-22.0



# Price Barometer to Tell P.A.'s Whether to Buy, Wait, or Shop

Special Index Will Foretell Wholesale Industrial  
Fluctuations and Warn about Economic Climate

Buy, shop around, or wait? That's the major problem faced by most purchasing agents. Your new PW price barometer (see chart on opposite page) is designed to help you answer just this type of question.

The new PW index has been specially constructed to signal near-term fluctuations in wholesale industrial prices. As P.A.'s—even more than other business executives—you need an early warning of changes in the economic climate. Up, down, or sideways—knowledge of future price movements can mean dollars and cents to you and your company.

Hundreds of key commodities were sampled and tested for the PW barometer. Other well-known barometers were analyzed. Deletions and additions were made as needed. Result: an index of 17 basic price-sensitive industrial raw materials geared specifically to the needs of purchasing agents.

You can use your PW barometer to:

- Get a "feel" for the market.
- Get clues to future price developments.
- Consolidate your role on the management team.

Your PW barometer gives you at a glance the ups and downs of the nation's commodity markets. You get a "feel" for prices. It gives you a basis for decisions to buy, bargain, or shop around.

**SUGGESTION**—Watch for any consistent change in direction. Any shift—up to level, up to down, level to up, level to down, down to level, down to up—is significant if it persists for several weeks.

Use the PW barometer as a valuable price clue. To a considerable extent, today's spot prices are tomorrow's prices for the goods you will be purchasing. Any consistent shift in the PW barometer will usually indicate an impending general industrial price change in the same direction.

But don't forecast blindly. Your purchase mix probably has a goodly portion of high labor cost items in it. Discount this labor factor particularly if you buy finished products.

Thus a drop in your PW index might signal some future weakness in the prices of the goods you buy. It would very rarely mean a proportional drop.

**SUGGESTION**—If you have the facilities and the time, examine your own purchase mix. Set up a simple unweighted price index of the materials you buy. Compare it to the PW barometer. Then, given a change in the PW barometer, you can estimate when and to what extent your purchase tabs will be affected.

You'll find that this type of price forecasting pays off. Do it long enough, and its bound to come to the attention of management. It's a sure-fire way to build up your prestige and the prestige of your whole purchasing organization.

## Australian Brokers Predict Drop in Wool

Melbourne, Australia—National Council of Wool Selling Brokers and the Bureau of Agricultural Economics estimate a

drop of 102-million lb. of greasy wool (about 6.5%) from the 1956 record production. Total estimated production for 1957 is 1,463 million lb.

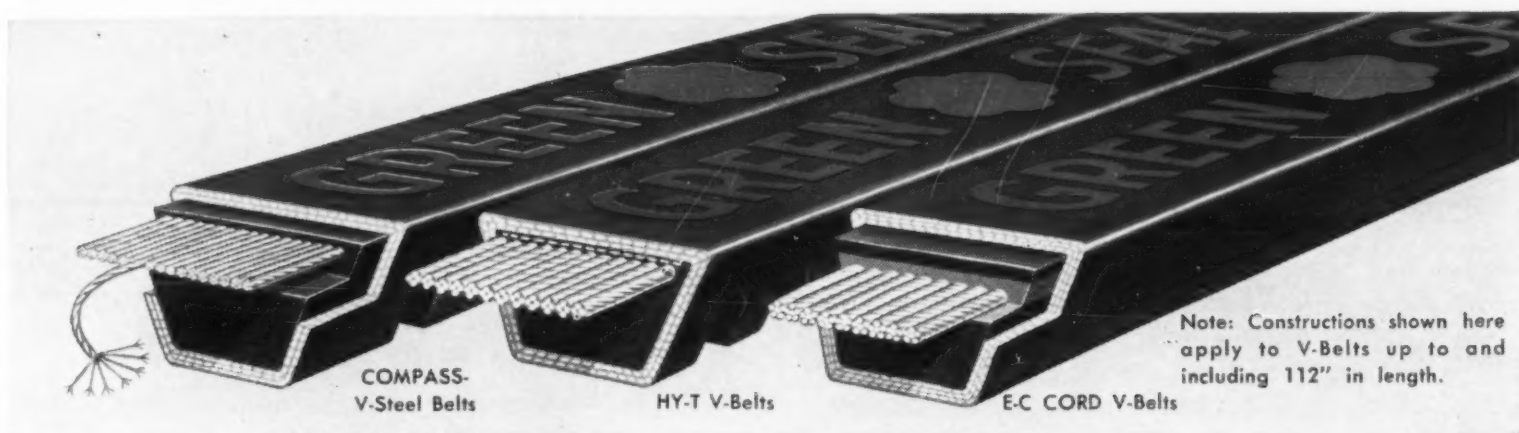
Accompanying the cut in production is a drop in prices which are running at a level of about 17.5% below last season.

The reduced receipts from wool exports, combined with the loss of some wheat and flour exports and lower prices for metals, will cost Australia close to \$400 million in 1957. This factor makes further relaxation of import restrictions most unlikely, and there is even some talk about the possibility of making several import restrictions.

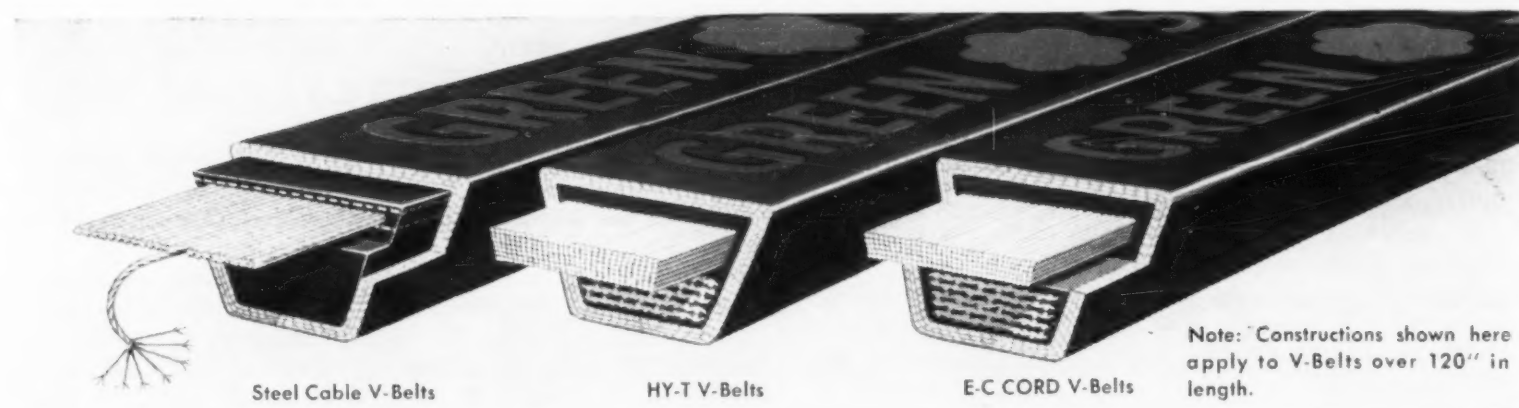
## Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,510	1,366	2,490
Steel ingot operating rate, %	59.0	53.4	97.3
Truck, units	12,016	22,624	12,505
Crude runs, thous bbl, daily aver	7,712	7,774	8,061
Distillate fuel oil, thous bbl	13,106	13,118	13,945
Residual fuel oil, thous bbl	7,581	7,761	8,856
Gasoline, thous bbl	27,264	27,336	28,018
Petroleum refineries operating rate, %	84.9	85.6	91.3
Container board, thous tons	146.5	147.1	153.4
Boxboard, thous tons	144.2	141.8	127.9
Paper operating rate, %	93.5	91.2	99.3
Lumber, % change from week or year ago	-1.2	+4.8	-8.6
Bituminous coal, daily aver thous tons	1,563	1,488	1,863
Electric power, million kilowatt hours	11,218	12,412	11,196
Eng const awards, millions, Eng News-Rec	259.3	273.8	323.7

## What's different about



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# This Week's Washington Perspective

JAN. 6-12

Washington sees the year beginning in a mushy state. **Experts in and out of Washington forecast a slight recession.** Yet political realists frown at the idea that the nation can be in real trouble when so much energy is being put into defense to offset Russian advances in missile weaponry.

So take a look at the prospects as the White House and Congress gird for 1958. It will be a significant year because an election comes at the tagend. Congressional control is at stake, but the foundation for the 1960 presidential election will be laid, as well.

**Government spending will be on the upside.** President Eisenhower's budget that will go to Congress around mid-month will be above this year's spending schedule of \$72 billion.

**Non-military spending will be level.** Some effort will be made to cut back some public works projects—big dams such as the Flaming Gorge on the Upper Colorado water project—and there will be a downgrading of formerly urgent programs, such as school construction and public housing.

**Business generally, though, will benefit from the military buildup.** There will be regional dislocations of employment that will hurt specific industries. But in the heavy industries the bigger military program will provide a stimulant.

**Tax rates will stay as is—52%** for corporations, continuing Korean-born excise rates on freight, fuels, and some manufactured goods. And the fact that Washington is talking little—if at all—about tax decreases is evidence that a serious economic downturn seems remote. Talk of a tax increase is just as loud, or louder.

**Bigger military programs** will give a psychological lift to the economy. By themselves, they won't be a complete offset to the trend downward in steel output, auto sales, inventories, housing construction, and the like. But they will provide a cushion in the early part of the year—psychologically at least—pending the upturn that most economists foresee for the last half of the year.

Contract awards are on the rise for weapons and major equipment. The newest estimates are they will go upward of \$14-billion during the year. That is a contrast to last year's doldrums in contracting for new weapons. Hardly any contracts were let in the July-September quarter, and little more in the October-December. So there is also a backlog to draw upon.

**These are some indicators of the step-up:** weapons, \$14 billion in new contract awards; construction, \$2 billion; research and development, \$1.7 billion; \$2 billion for spare parts.

**Military spending will go up during the year as well as contracting.** Expenditures for the current fiscal year (the year ending on June 30) initially were estimated at \$12.2 billion. They are now slated to total over \$13 billion. For the fiscal 1959 year, starting next July 1, hard goods spending will come to at least \$14.5-billion.

**Impact of increased military buying will be felt the most in such selective markets as these:**

**Electronic components**—amplifiers, coils, connectors, filters, gyros, servo motors, rectifiers, relays, tubes, and the like.

**Materials used in electronic components**—boron resistors, columbium-tantalum parts, zirconium, germanium, selenium, and the rare earths.

**Chemicals used in liquid rocket propellant**—liquid oxygen, alcohol, kerosene, nitric acid, aniline, and helium; materials for solid rocket fuels—ammonium nitrate, sodium nitrate, ammonium perchlorate, potassium perchlorate, asphalt, polysulphide, synthetic rubber, polyester resins, polyvinylchloride, nitro-glycerin, and nitro-cellulose.

**Structural materials**—ceramic-metal combinations, asbestos, fiberglass reinforced plastics, and glass-reinforced polyester laminates.

**This is how the military production outlook shapes up:**

**Missiles**—especially the long-range ballistic missiles—will increase from about \$2.5 billion this fiscal year to at least \$4 billion in fiscal 1959. At least 20% of these sums are for electronic equipment, another 20% is for the propulsion system.

**Manned aircraft production will continue to drop**—probably to under \$7 billion for the first time in seven years. The big reduction will be in fighter planes. Bomber output will remain steady or rise some. Spending now runs at an annual level of \$7.2 billion, almost \$1 billion of which goes for electronic gear.

**Shipbuilding** will remain close to the fiscal 1958 level of \$1.1 billion.

## What Key Unions Want This Year

Industry & Unions	Bargaining Date	Probable Initial Demands
AIRCRAFT: Machinists (250,000 workers)	Jan. through Spring	13¢ per hr. cost-of-living adjustment and escalator clauses among companies not having them now; plus 13¢ across-the-board for everybody; plus welfare fringes.
AUTOS: United Auto Workers (1.3 million workers)	May-June	18 to 24¢ per hr.; shorter straight-time work week; fringes and adjustments.
CONSTRUCTION: Building Trades (1 million workers)	Through 1958	20 to 25¢ per hr. for higher skills.
GLASS: Glass & Ceramic Workers (40,000 workers)	Through 1958 (Except Owens-Ill.)	15 to 20¢ per hr.
METALWORKING: Machinists (800,000 workers)	Through 1958	15 to 25¢ per hr.; longer vacations; earlier pensions.
OIL: Oil, Chemical & Atomic Workers (180,000 workers)	Summer	Around 20¢ per hr. Will see what happens in autos.
RUBBER: United Rubber Workers (175,000 workers)	Summer	Depends to some extent on what happens in autos; maybe 15 to 20¢ per hr.
TRUCKING: Teamsters (1.5 million workers)	Through 1958	25¢ per hr. (Some longer-term contracts, running until 1961, provide for annual increases).

Industry & Unions	Automatic Contract Adjustments
CHEMICALS: UMW District 50 (10,000 workers)	8¢ per hr. on March 3. Contract runs to March 1959.
ELECTRICAL: IUE (300,000 workers)	5¢ per hr. minimum in autumn and cost of living. Contract runs to October 1960.
RAILROADS: (1.4 million workers)	7¢ per hr. on Nov. 1 and cost of living. Contract runs to October 1959.
STEEL: United Steel Workers (1.2 million workers)	7 to 12¢ per hr. on July 1 and cost of living. Contract runs to June 1959.

## '58 Will Be Stormy Year on Labor Front

(Continued from page one)

And as for prices, management will be under terrific pressure—a squeeze between upward moving labor costs and necessity to hold the line for sales' sake.

In most key industries higher prices have followed almost immediately after new labor contracts. But with competition as fierce as is these days, what to do could become a major management headache. The sagging steel industry is an example.

### New Contracts Needed

Autos, rubber, metalworking, construction, and trucking are among the key industries in which new contracts will be negotiated in 1958. The biggest bargaining union will be Walter Reuther's million-plus member Auto Workers which must negotiate a new contract by June 1 to replace expiring three-year agreements in the industry.

When Reuther steps up to the bargaining table, the pressures will be enormous. These factors could make for trouble:

- Other groups of union workers will be collecting big pay raises without raising a finger. More than one million steelworkers are assured 7 to 12¢. Another million in the railroad industry will collect seven. Altogether pay boosts are fixed for 4 million employees in 1958 under automatic increases in long-term contracts. Unions negotiating this year must try to do as well.

- Cost-of-living adjustments are due for 4.3 million employees in 1958. In 1957 escalator contracts gave up to 8¢ in raises.
- Unemployment estimates

are between 5 and 6 million. Layoffs in key bargaining industries will mean a tougher job for the unions.

- Rising unemployment is but one symptom of what Mitchell describes as an "economic readjustment." Some economists call it a recession. But whatever you call it, it means a slowdown in production, fewer jobs, less overtime work for at least the first half of 1958.

### Negotiators Squeezed

Thus union negotiators are caught in a squeeze. On one hand, workers covered by long-term agreements not expiring until 1959 or later will be getting fatter paychecks. On the other, labor bargainiers must go after sizable pay packages while their industries are in a slow-down period when unions members may be laid off.

Expect some real employer resistance. In the last eight years, Reuther's auto union wrapped up two big contracts without too much trouble. In 1958 he will have more trouble getting a smaller settlement.

The tipoff on the exact nature of Reuther's demands probably will come during the UAW's annual convention at Detroit, Jan. 22-24. Industry observers expect Reuther to start out on the route to a four-day week by asking time and a half for at least part of the fifth day. Pensions also are due for an airing.

Other probable demands include more money for UAW skilled tradesmen, improvements in supplemental unemployment benefits, complete company paid

hospitalization and insurance, and a shorter contract period.

The estimated demands in the bargaining chart are only what union leaders will be talking when they first step into negotiations. They don't expect up to 25¢ an hour except in special cases. If the UAW asks 18 to 24¢ and a shorter work-week, this will be whittled fast with the hours-reduction demand probably the first to go.

Other big unions will be watching and waiting.

In aircraft industries (where layoffs are highest), Auto Workers and Machinists will be allied.

Unions will concentrate on the layoff problem—not only temporary unemployment but permanent loss of jobs because of automation.

Apart from the shorter work week, fringe demands will center on the share-the-work theme—extending vacations; providing pensions at an earlier age, severance pay, and hiking payments and length of SUB coverage. The UAW, with members now covered for 26 weeks of SUB a year, can be expected to go for 52.

Major bargaining never is done in a vacuum. Its ramifications are almost as political as economic—particularly in 1958. Two phases of this are the activities of the McClelland Senate Committee investigating labor corruption and the Kefauver Senate Committee investigating industry pricing.

The UAW is due to appear before the McClelland group later this month to testify about the union's 44-month strike against the Kohler Co.

The Kefauver investigation into auto prices will stir up the bargaining scene even more.



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January 6, 1958

Purchasing Week

5



## Northwest Invites More Industries

**Portland, Ore.**—Purchasing agents in Oregon are inviting more manufacturers to locate in the Northwest. The Portland Chamber of Commerce and the Purchasing Agents Association of Oregon joined in a survey to learn what products were not now being made or being made in insufficient supply.

As a result, the P.A.'s listed those products they felt could be manufactured in the Pacific Northwest. The list included:

Abrasive-coated grinding wheels, bolts and fastenings, bolts and nuts (alloy), electrolytic capacitors, electronic controls, twist drills, navigation instruments, pebble lime, flax packings, polyethylene coated paper, and electrical apparatus (switch gear, metering devices). Electronic components, fasteners, bolts, nuts and capscrews, fishing sport gear, flow meters, office furniture, ships' furniture, NEMA standard pole-line hardware, sponge rubber gaskets, steam, air and water gauges, aluminum and steel grating.

Others include grinding wheels, builders' hardware, garden hose (plastic or rubber), pipe fittings and valves, plumbing fixtures, recording equipment, rubber products, shoes, silicon carbide brick, steel plate, stuffing boxes and tubes, taps, small tools, electric distribution transformers, crude waxes, welding rod, construction wheel barrows, wire ties (for potato bags).



CLINTON BISHOP

### Clinton Bishop Heads Philadelphia Association

**Philadelphia, Pa.**—Purchasing Agents' Association of Philadelphia elected Clinton Bishop, Alan Wood Steel Co., president of the association for 1958.

Other officers elected were: first vice president, John P. Moorhouse, Standard Pressed Steel Co.; second vice president, James M. Hill, Jr., Westinghouse Electric Corp.; secretary-treasurer, Earle H. Henderson, Philadelphia National Bank; director of National Association of Purchasing Agents, M. C. Case, Rohm & Haas Co.

Directors elected include: E. Bowers Ayres, Jr., Proctor & Schwartz, Inc.; Charles W. Bobb, Fidelity-Philadelphia Trust Co.; J. E. Jennings, Leeds & Northrup Co.; Richard L. Purcell, C. Schmidt & Sons, Inc.; and Joseph H. Saville, Jr., American Viscose Corp.

### Buyers for Newspapers Organizing Nationally

**Louisville**—A national organization of purchasing executives and buyers for newspapers is being formed. A two-day conference to complete the organization is scheduled in Louisville, Jan. 24-25.

The committee is composed of: G. N. Barrett, "Philadelphia Bulletin;" T. A. Corcoran, "Louisville Courier-Journal and Times;" Lou Davis, "Los Angeles Times-Mirror;" I. S. Finn, "Chicago Sun-Times;" Charles B. James, "Chicago Tribune;" D. J. Lewis, Christian Science Publishing Co.;

Owen D. Lewis, "Winston-Salem Journal & Sentinel;" Eugene Parrish, "St. Petersburg Times;" and George L. Quinn, "Minneapolis Star-Tribune."

### European Market Confab

**New York**—A three-day conference to acquaint American companies with the effect of the European Common Market on their overseas operations will be held Feb. 3-5. The International Management Division of the American Management Association has picked the Biltmore Hotel for the conference. Europeans will participate.



HENRY L. MICHEL

### Michel New President Of Southern Group

**Charlotte, N. C.**—Henry L. Michel, director of purchasing for Celanese Corp. of America, has been elected 1958 president of the Carolinas-Virginia Purchasing Agents Association. Prior to joining Celanese in 1952, he had been associated with Westinghouse Electric Corp. for 32 years.

In 1941, Michel headed the Pittsburgh Purchasing Agents Association, when he was assistant to the vice president of Westinghouse's East Pittsburgh Works. He has always been active in association affairs.



RESISTS COLD



RESISTS HEAT



## Virginia Assembly Group Recommends Purchase Change

Richmond, Va.—A General Assembly committee has recommended creating a new department in the state government as a step toward more economical purchase of supplies. It also recommended that supplies be purchased at negotiated price rather than sealed low bids.

Under the recommendations, the present Division of Purchase and Printing would be abolished.

Mainly, the changes were aimed at modeling the state's purchase and supply organization after that commonly used in big business and industry. Ralph C. Eaton, director of the present division, said he believes many of the recommendations would enable him to do a better job and that they would put the state government on a more business-like basis.

The report recommended that

all state agencies, except the highway department and the A.B.C. board which have separate purchasing departments, be permitted to purchase individually. The purchasing service should be organized into sections paralleling broad areas of the state's needs.

### U. S.-Jap Firm Formed

Tokyo—A joint U. S. Japanese company to produce Acrilan textiles has been established in Tokyo by Mitsubishi Rayon Co., Mitsubishi Chemical Industries, and Chemstrand Corp., Decatur, Ala.

## Steel Salesman Looks to 1958 As Most Rugged Year Since War

### Chicago P.A.'s Hear Hamaker Cite Rivalry And Large Oversupply

Chicago—One of the nation's top steel salesmen told Chicago purchasing agents 1958 will be the "most rugged year competitively that we have seen since the end of the war."

L. S. Hamaker, general sales manager, Republic Steel Corp.,

said the reason is the great build-up in manufacturing capacity which has marked industrial activity in recent years.

"Everything is in ample supply, and price advances are hard to accomplish, even though wages will continue to rise," Hamaker declared when he addressed the December meeting of the Purchasing Agents Association of Chicago. "The squeeze on profits will intensify."

The result, Hamaker said, will be a "record-breaking outlay for research and development which will bring into the business picture a few years from now scores of products which are not now on the market."

"Severe competition greatly stimulates research which is one of the reasons our free enterprise, profit-and-loss system is the most productive the world has ever seen."

Predicting that 1958 will shape up as "another good year" for business generally, Hamaker said Republic thinks the year for steel, "instead of being sensational will be merely excellent, and we see no disaster in that."

"We will be in a trough between two enormous waves of expansion for a while, perhaps as long as 18 months, but we don't expect the trough to be very deep."

Hamaker estimated 1958 steel production at 109 million tons, off about 5% from the 1957 operating rate. He pointed out that much new steel capacity has been developed over the past two years and the "operating rate will consequently be in the 70's during most of 1958 if our calculations are right, yet the actual tonnage produced will compare favorably with anything we have ever done."

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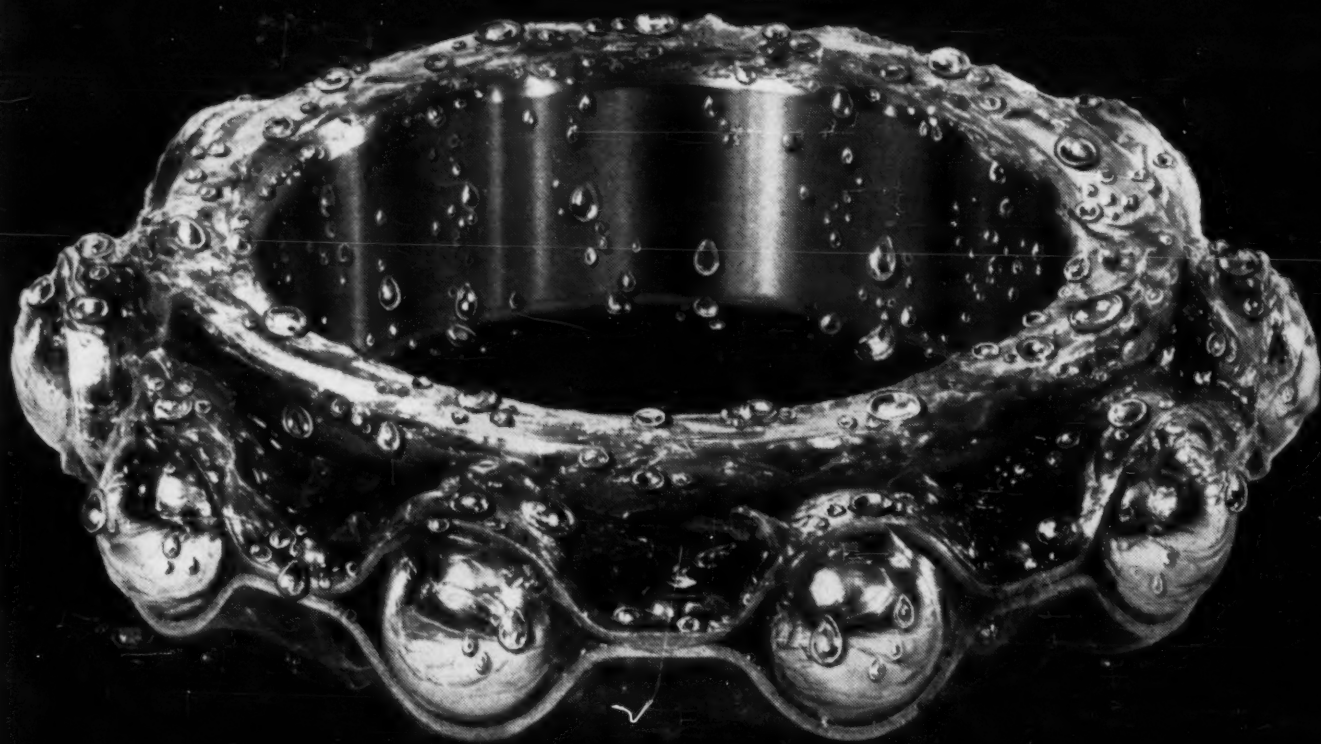
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### Cost-of-Living Down, Balances Unemployment

Wilmington, Del.—The abating cost-of-living picture seems to be balancing the downward trend in unemployment for the present, according to Ewan Clague, commissioner of labor statistics.

Clague, a member of the U. S. Department of Labor Statistics, spoke on this bright and not-too-bright situation at the December luncheon meeting of the Wilmington Purchasing Agents Association.

Employment in manufacturing industries, he said, has been "drifting downward all year." To balance that, he said, the rise in cost of living "seems to have been halted."

"Although there may be some fluctuations in coming months," Clague added, "it is not likely to go higher."

### To Study Buying Ways

Honolulu, T. H.—Prior to drafting a new charter for the city-county government of Honolulu, the City Charter Commission has ordered a survey of purchasing procedures of the water board. At present, the Board of Water supply does its own purchasing and is opposing efforts to bring it under a central purchasing system.



## 47 American Firms Aiding Indian Industries

**Bombay**—Forty-seven American firms are checking Indian business interests offering processes, patent rights, technical services, and know-how.

The All India Manufacturers' Organization with headquarters here is currently circulating these detailed collaboration proposals to its 2,000 members throughout the country.

The industries covered include refrigeration, electric motors, paint metals, cosmetics, canning furnaces, photographic instruments, wood and metal pattern

equipment, and processes in the field of chemicals.

Forwarded through the U. S. Technical Cooperation Mission at New Delhi, the proposals state individual preferences. These are either a willingness to accept stock in existing Indian companies or desire to arrange royalty plus a share of the profits.

**A U.S. Army helicopter** recently lent some high-level assistance on a German construction job. The craft hoisted a 250-lb. cross into the air and lowered it to the top of a church steeple in the Bavarian town of Konnersreuth.

## Shell Lays Up Tankers Until Oil Demand Rises

**London**—Shell Petroleum Co. has laid up "several" tankers in British ports until a rise in world oil demand offers them employment.

Until recently, the company has kept the vessels in operation by slow-running, advancing repair schedules, and re-letting tankers to other charterers.

Shipping sources estimate that 127 tankers totalling 1,816,699 deadweight tons are now laid up in ports throughout the world.

Several obsolete tankers have been sold recently for scrap.

## British Lead Prices Will Rise As Stockpile Release Rate Drops

**London**—Financial sources predict a slight rise in British lead prices because of a cut in the rate of release from the industrial stockpile.

Britain's Board of Trade had been selling its 20,000-ton stockpile at the rate of 3,000 tons a month. It was decreased recently to 1,200 tons a month, a decrease of 60%.

The Board of Trade said this lower release rate would be kept

in effect during the first six months of 1958.

Other sources, however, felt that any release from the lead stockpile at the present is "untimely." They felt the sale increases the surplus unnecessarily, even if by a smaller amount.

One spokesman outside the Board of Trade said the release is "particularly untimely" because of the U.S. Mining Industry's request to the Tariff Commission to impose higher duties on U.S. lead imports.

Consumers, it was pointed out, are reluctant to buy heavily because of the uncertain market outlook.

British lead suppliers were warned to keep their surplus at a minimum unless a resurgence of industrial activity in the United States results in a greater consumer for lead. This is considered unlikely until spring.

## In Canada Steel Stocks Heavy; Paper Output Soft

**Toronto, Ont.**—The "Bulletin of Purchasing Agents" reports steel inventories heavy and expected to continue well into 1958. However, it states there could be a pickup in demand if some of the projects forecast by large steel users actually materialize.

The Bulletin says that supplies of hot and cold rolled sheets are ample and that Detroit automobile makers might force production in the spring, prior to sitting down with the union.

There has been no upswing in the general business level for fine papers in central Canada. While there have not been any major cutbacks in production, mills may be forced to reduce their production rate.

Demand has lessened considerably in the East for patent coated, screenings, bleached manila, pulpboard, etc. in the boxboard

field. Linerboard and corrugating medium are plentiful and prices are unchanged, with no changes apparent in early prospect. The newsprint situation remains unchanged with sales in central Canada below production potential, and deliveries excellent.

## Fuji Iron & Steel Co. Slashes Prices by 16%

**Tokyo**—One of Japan's "Big Three" iron-steel manufacturers, Fuji Iron & Steel Co., Ltd., has slashed its prices by a maximum 16%.

Long-time purchasers are entitled to an 8,000 yen per ton price reduction on small and medium size bar steel, medium and thick steel, and corrugated sheet steel.

Other customers are offered a 6,000 yen per ton cut. Similar price reductions are being given for medium size shape steel.

The other two large steel makers, Yawata Iron & Steel Co. and Japan Steel Tube Co. are expected to follow suit.

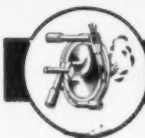
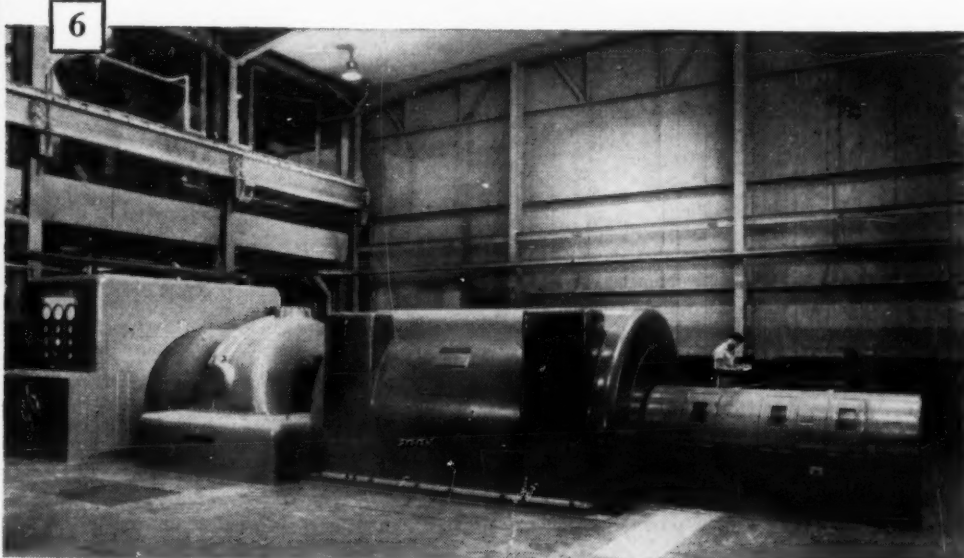
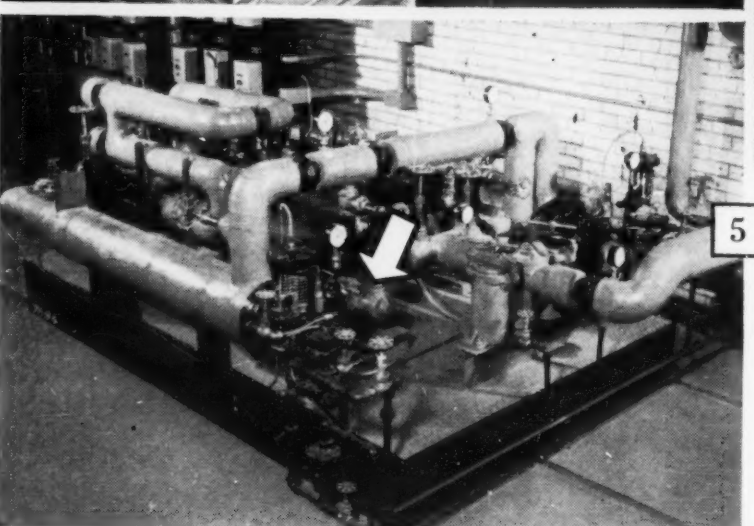
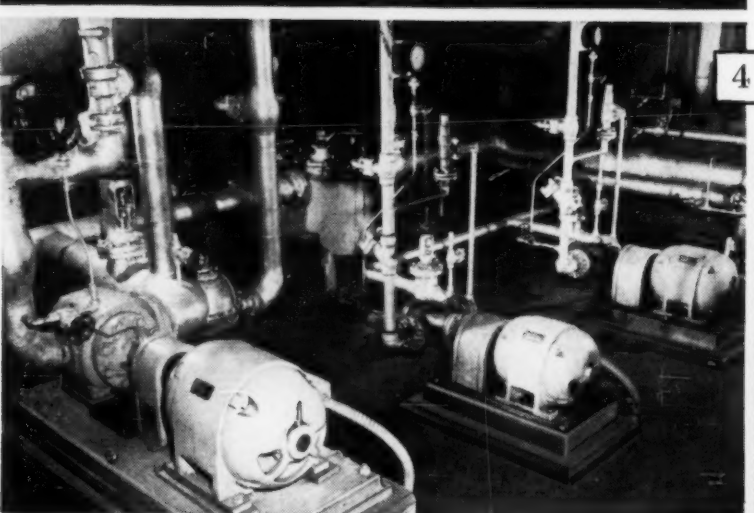
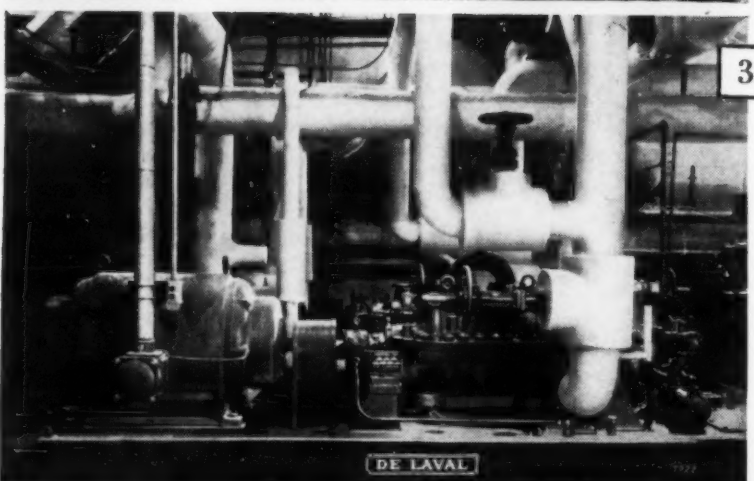
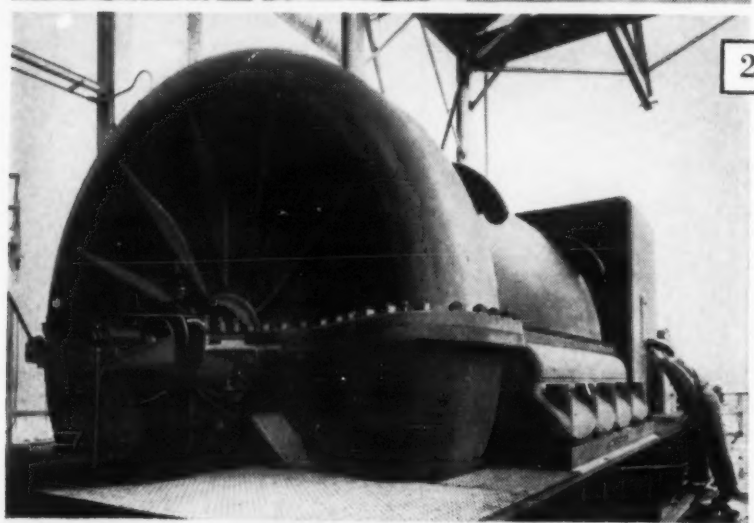
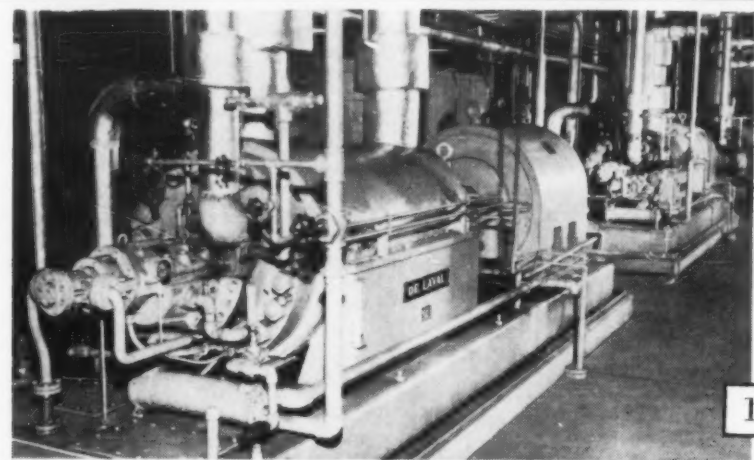
Fuji says its unilateral price cuts are only temporary. After March the price structure, it maintains, will be discussed with the other two big firms.

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## Surpluses in Pipe Rise in Australia

**Growing Costs Bar Cut  
in Prices; Freight Rates  
May Also Increase**

Melbourne—American buyers of Australian steel piping and tubing can expect steady availability of both products in the future because of growing exportable surpluses.

Indications, however, pointed to no chance of lower prices since costs here continue to rise at a steady though unspectacular rate. The West Coast of the United States is currently increasing its share of absorption of these products.

The only dark cloud worrying Australian exporters is the level of freight rates. Foreign buyers should watch carefully for a possible rate hike.

In the Australian fiscal year ended June 30, 1957, the U.S. share of exports was 50%. But figures gathered by McGraw-Hill World News show that the U.S. share in the three months ended Sept. 30, 1957, had risen to 65%.

Most exports to American buyers consist of butt-welded tubes. The current output of the Australian maker, Stewarts & Lloyds, is estimated at 12½% above the 1956 production rate.

### Demand Keeps Export Rate Up

Since the demand here is continuing at rather stable levels, exportable surpluses have already risen. It is certain that most of them will continue to be shipped to the West Coast of the United States.

It was noted that the plants of Stewarts & Lloyds are working at about 85% of their productive capacity. This is caused mainly by the shortage of suitable Australian-made steel.

It was further pointed out that another steel strip mill was to start operations at Newcastle, New South Wales last month. This should affect the output of the plants producing pipes and tubes.

Actually, this would mean an increase in the exportable quantities of pipes and tubes. There is no fear of local demand capturing a greater share of the available supply at least for the next 12 months.

### Pipe for Oil Industry

British Tube Mills, Ltd., in South Australia is currently producing seamless piping very suitable for the oil industry. Its annual capacity is estimated at 25 million ft. of seamless and 75 million ft. of electric resistance welded tubing.

The export market for this product is traditionally in the Persian Gulf area, particularly in Kuwait. These export activities are continuing, and more of this piping will be available for export.

A truck, able to carry more than 70 tons over sand, and powered by a 600-hp diesel engine, has been designed by a French firm, according to "Product Engineering," a McGraw-Hill publication. Truck is 44.3 ft. long, 15 ft. wide, and costs \$119,000.

## India Will Purchase Swiss Cargo Ships

Bombay, India—The Indian Government's State Trading Corporation is negotiating with a group of Swiss firms to buy ten cargo ships on a pay-as-you-earn basis. These ships will handle government cargo exclusively, under the direction of the Ministry of Commerce and Industry. Plans call for transport of fertilizers from Latin America, and the amount earned will be used to pay back the ships' present owners, starting in 1959.

According to a State Trading Corporation official, freight rates

will be lowered by at least 20 shillings per ton.

The corporation also is negotiating to buy oil tankers in collaboration with Caltex and Standard-Vacuum.

## Jap Steel Exports Fall

Tokyo—Steel exports in the first eight months of fiscal 1957—April through November—totaled only about 510,000 tons against a target for the whole fiscal year of 1.1-million tons. The low figure is believed due in large part to the worldwide slump in the steel market.

## Russian Trade Volume Up 5 Times Over 1946

London—Russia says her volume of foreign trade increased last year "over five times as much as in 1946," thus placing her sixth in the world trade index.

According to a recent Soviet news report, Communist countries accounted for nearly 76% of the Soviet Union's trade during 1956.

Russia's best trading partner in 1956 was Red China. That country purchased 20.5% of the goods exported by the U.S.S.R. Ministry of Foreign Trade. East Germany was second followed by Czechoslovakia and Poland.

Twenty-four per cent of the trade was with "capitalist" countries.

The report revealed that Russia entered into trade agreements last year with 13 countries in the Middle East and Southeast Asia.

These areas purchased more than half the machinery, equipment, and rolled ferrous metals which the U.S.S.R. exported to non-Communist countries.

In return she imported from them 100% of her requirements for small hides, jute fabrics, and shellac as well as many other commodities.

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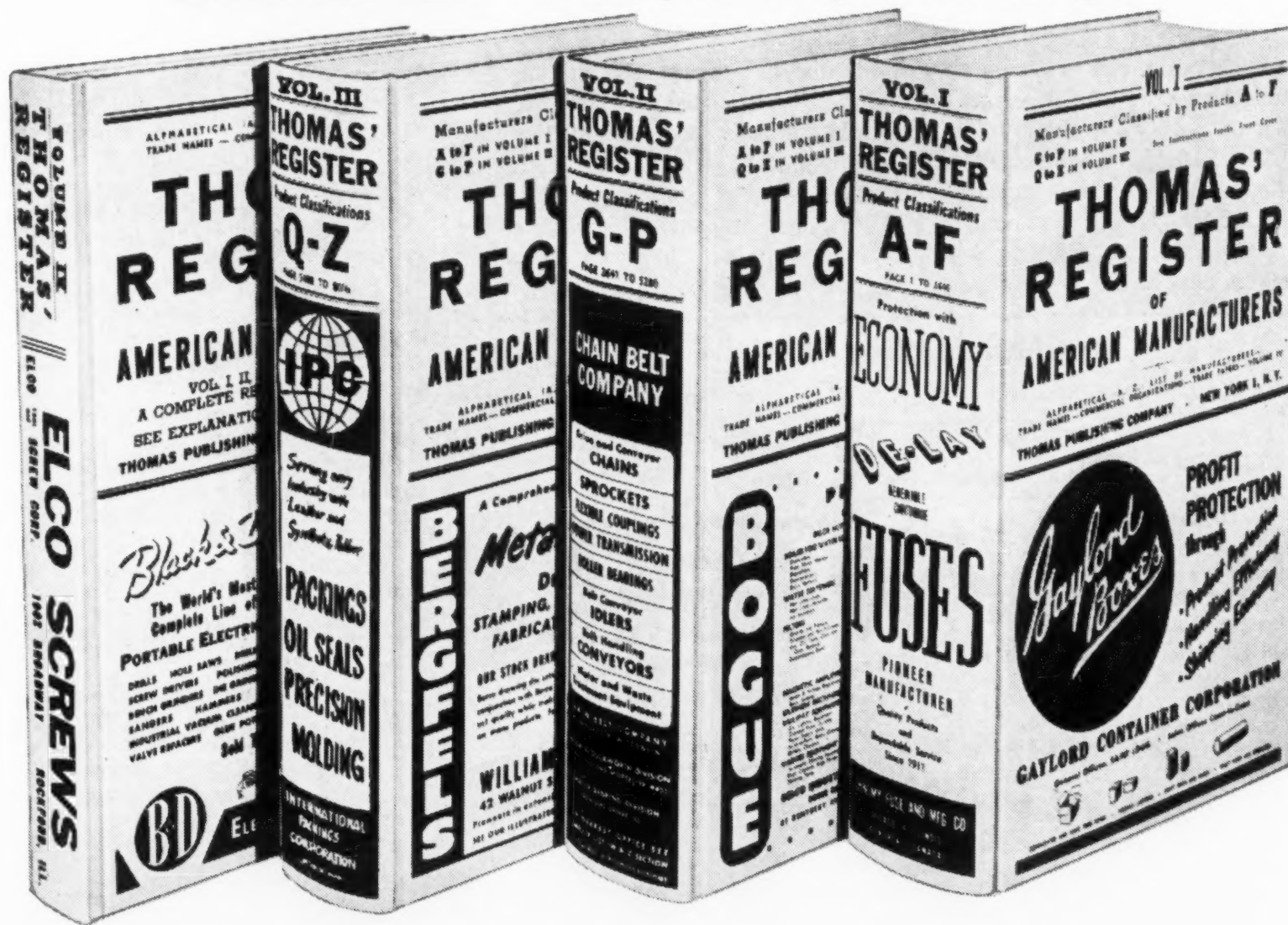
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# Purchasing Week

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## Our Pledge to You

"We feel freedom of expression should be given to the purchasers' ideas on such subjects as escalation, shortages of vital commodities, pricing policies, and other important considerations without regard to whose tender toes may be stepped on."

That's what George L. Wilson, chairman of the editors' group of the National Association of Purchasing Agents, wrote after seeing an experimental issue of PURCHASING WEEK. His observation clearly states a major plank in PW's editorial platform.

It would be nice to think we could operate without "stepping on tender toes;" but being realistic we know that when it comes to expressing opinions, there will be differences. We welcome differences of opinion. Yes, we even welcome opinions when they differ from ours. We recognize that it is only by giving attention and editorial space to such differences that PURCHASING WEEK can grow and prosper.

As a matter of fact, we also know that it is only by being receptive to different opinions that those in purchasing can make the function grow in importance. Such growth, as we see it, must be the overall aim of all purchasing executives—and PURCHASING WEEK's objective is right along the same lines. PW's editorial policy, thus, can be stated very simply:

PURCHASING WEEK is designed to serve purchasing executives in business and in industry. It will supply a weekly service which will include news affecting purchasing executives' jobs and their industries. It will publish prices, trends, and forecasts on important commodities and equipment. It will publish feature articles that will help purchasing executives operate more efficiently. It will publish the latest information on new products and product developments. In brief, PURCHASING WEEK will publish anything and everything that will help the purchasing executive to become more and more influential as a member of top management.

It would be wonderful to think we could put "a nickel in the slot" and get custom-built answers to all of our problems. PURCHASING WEEK cannot promise such a service. It can, and does, promise to give you, Mr. Purchasing Executive, all of the raw material you need for making intelligent decisions or recommendations.

There just is no escaping the fact that as a purchasing executive you hold in your hands, your company's blank check. Before you sign that check, you need up-to-date facts, figures, and information. PURCHASING WEEK will give you those facts and figures every week.

## Meet Two Old Friends

It is with a great deal of pleasure and pride that PURCHASING WEEK calls your attention to two of the names listed among the staff below. They are the names of two men well known in the purchasing field—George S. Brady and F. Albert Hayes. Colonel Brady, a consultant to N.A.P.A. since 1937, has written extensively on industrial materials and the purchasing field. F. Albert Hayes, former president of N.A.P.A. and Shipman Medalist, is retired vice president of Bigelow-Sanford Carpet Co., Inc. Both will serve as consulting editors.

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## Profitable Reading For P.A.'s

"Reading Maketh a Full Man"—Bacon

### Be a Good Meeting Manager

**How To Run Better Meetings.** By Edward J. Hegarty. Published by McGraw-Hill Book Co., 330 West 42nd Street, New York 36, N. Y. 308 pages, illustrated. Price \$4.95.

Purchasing agents will find this book a comprehensive study geared to aid chairmen or meeting managers. The author leaves no situation uncovered. He stresses the necessity for saving time and running well-organized gatherings.

The information is not only instructive but also humorous. The author has used many appropriate cartoons. Planning of arrangements and completing the program prior to the meeting are re-emphasized throughout the book. Examples of incorrect procedure and stumbling blocks causing poor audience reaction are given.

Purchasing agents will find proper usage of visual aids will help their presentations at business conferences and to management. The information will also aid P.A.'s in their speeches. A review of pitfalls and their corrections also are included. The author suggests short cuts.

Every type of meeting and most of the peculiar circumstances which may arise are covered. The author uses examples which he drew from his own experience as a guest speaker.

The treatment of the guest speaker is reviewed. The book gives the do's and don'ts in handling speakers. It also stresses the speaker's obligation to the audience. The material is implicit in its instructions.

Purchasing executives, management personnel will find helpful hints throughout the book. The text also will aid members of social, service, and other organizations to become good meeting managers.

### Better Communication

**Better Business Communication.** By Dennis Murphy. Published by McGraw-Hill Book Co., 330 West 42nd Street, New York 36, N. Y. 306 pages, illustrated. Price \$4.50

The author, with the theses that "management is communications; job fulfillment is communication," emphasizes internal communications. He touches external communications only

in letter writing and speech making. He does the job instructively and entertainingly. His illustrations are humorous cartoons.

Purchasing agents will find the book not only suggests savings but also emphasizes methods to improve employee relations by proper use of seven phases. The phases are thinking, doing, observing, talking, listening, writing, and reading.

The author breaks down each category and explains pitfalls. His work is done clearly and concisely to bring about a better understanding of communication objectives.

Purchasing executives and supervisors should find the book an advantage in gaining aids for the improvement of management and employee relationships.

The material also will assist individuals in their communication with friends and acquaintances. The book is a must for the P.A. and supervisor seeking ways to cut operational costs and developing a smooth running organization.

### Inspiration For P.A.'s

**Editorials—The Alabama Purchaser.** By Printing & Publishing Co., Inc., 212 South 22nd St, Birmingham, Ala. Price \$4

The book is an inspiration for young purchasing men. It gives examples of pitfalls and proper techniques to use in reaching objectives in procurement.

The Alabama Purchaser has reproduced 154 editorials from February 1954 to October 1957. George L. Wilson, editor, names George H. Cole, as author of the editorials.

The author is manager of purchases of Alabama Power Co., Birmingham. He is known locally and nationally as an outstanding authority in purchasing.

Primarily the book is a report on leadership and constructive criticism to aid personnel in procurement. It is a review of progress and industrial advances which have taken place in the Southeast but which have been matched in other areas of our country.

The book has an index of editorials by subject matter in the rear for reference purposes. It is a text which should prove highly useful to novices but interesting even to professionals in the purchasing field.



## PURCHASING WEEK Asks You . . .

What single personal quality do you feel is most important to a purchasing agent?



**Joseph G. Smith**  
Pittsburgh Steel Co., Pittsburgh

"Integrity—This includes loyalty to his company and consideration of the interest of his company in all transactions. Integrity to me means justice and fairness to those with whom the purchasing man deals. Find this notion of integrity, and you have the basic component for a well-trained purchasing man. Integrity is only a single quality which makes up a purchasing agent, but to me it is the outstanding character trait necessary. It will not only gain the confidence of customers but will also gain the firm's trust."

**Clyde A. Theobald**  
Vitro Uranium Co., Salt Lake City, Utah

"The willingness to accept responsibility is my choice. Too often, the purchasing agent fails to grasp the responsibility that goes with his management position. He relies on production men and engineering personnel to do the job he should be doing. And purchasing agents accept or allow themselves to become corporate rubber stamps. Too many purchasing agents want the authority of the job but not the responsibility which usually follows when P.A.'s take on executive duties. This trait I consider the most important."



**James E. Childs**  
Canadian Schenley, Ltd., Valleyfield, Quebec

"Integrity—In the evolution of business organizations, purchasing is usually the last function relinquished by proprietors. And with good reason. Purchasing involves money, lifeblood of business. Too, successful operation hangs on continuity of supplies. Along with sales and advertising, the purchasing function offers unusual opportunity for fostering good will outside the company. To measure up to these responsibilities, it takes a man of unquestionable personal integrity. This is what I consider a necessary trait."

**Albert W. Richards**  
Sylvania Electric Products, Inc., Salem, Mass.

"A purchasing agent must be a man of many parts. He must be a shrewd judge of values, a discreet diplomat, a keen student of marketing and selling, a trusted adviser, a cooperative soul, and one who can meet impossible deadlines."

He must also possess integrity. It must be so unquestionable that he can readily gain and hold the constant trust of his management, staff, suppliers, and would-be suppliers. His mistakes must be honest ones. Once there is any doubt about his fairness, his effectiveness is nil."



**William R. Toward**  
The Lincoln Electric Co., Cleveland

"Integrity—This trait alone can convey to sales people a feeling of assurance of an unbiased interview and a fair and just analysis of their product from a quality and price standpoint. This quality creates good will for both the buyer and seller and a mutual confidence in all transactions involving their respective companies. Beyond the above mentioned quality, I would automatically expect loyalty to his company and faith in his profession to be other very important facets of a purchasing agent's make-up."

**Harvey W. Purdy**  
Snyder Tool & Engineering Co., Detroit

"Keen perception—From hundreds of sales pitches he must listen to every week, the purchasing agent must quickly make a decision based on quality and price while placing proper emphasis on delivery. He also must have an acute and oft-times uncanny awareness of market conditions and developments. A purchasing agent can save his company literally thousands of dollars by buying quality products at the correct time commensurate with the price and date of delivery."



## How to Get More Out of Purchasing Week

### News Must Be Significant to P.A.'s

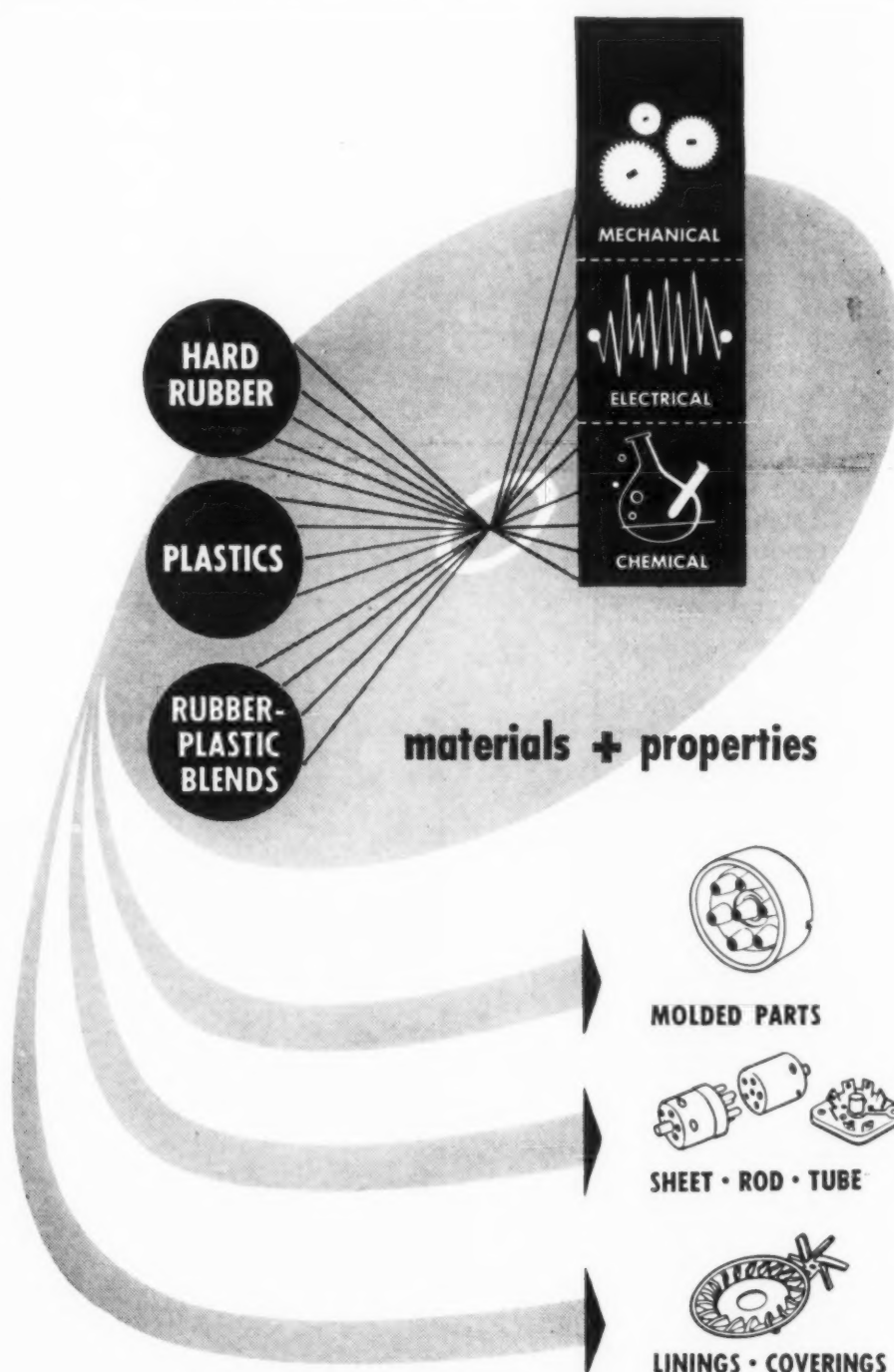
One of the most common definitions of news is that it is anything that has happened since the last issue of a publication. But most news under this definition is without value to purchasing agents. The kind they need and the kind Purchasing Week will provide will be significant news of value to them in their work. The key word in PW's coverage will be significant.

To point out this significance will be almost impossible. What is significant to a utility company P.A. in Maine may not be of any significance to a foundry P.A. in California or a copper mine P.A. in Utah. But so interlocked is our American economy today that every story PW will run will be of significance to a large group of readers. Each reader must try to interpret the news in the light of his own industry, business, company, location, etc.

For instance, a story that all cement mill workers are going out on strike can have significance in many sectors of our economy. All construction requiring cement will cease as soon as inventories are gone. As most large industrial structures require cement foundations, all building work will cease. Sales of building supplies will drop off.

Truck lines and railroads will have less freight to haul; so they'll use less fuel, tires, etc. As unemployment spreads, sales of all products will decline. These are but a few of the effects of such a strike. And the smart P.A. can spot them all as soon as he reads a two-paragraph story in PW.

Each week PW will carry over 100 news stories from all over the world. No matter his industry a subscriber is certain to find many stories that are significant.



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## Standards Become Complex In Inter-Industry Relations

### Opponents Under Belief Process Tends to Limit Variety of Products

**New York**—Inter-industry relationships have become so complex that a company's standards must be consistent with standards of its supplying and consuming industries, according to the National Industrial Conference Board. The board surveyed over 100 companies and several hundred trade associations. It found that few executives would care to formulate all the standards for their firms, even if they could.

The cooperating companies were nearly unanimous in expressing interest in the standardizing activities of national groups, whether they participated or not. National standards are the basis of many of their own standards, according to the N.I.C.B. report.

#### Standards, Defined

The study defined a standard as "that which has been established as a model to which an object or an action may be compared." Objections to creation of standards often stem from the preconception that the end result must be a deadly identity of products.

The study noted, however, that manufacturing standardization permits longer production runs, simpler tooling, faster production, and better quality control. Using standardized tools, materials, and components does not necessarily mean that final products be of limited variety and reduced to a common level of quality or mediocrity of design, according to the survey.

A number of the companies studied handle standards work through committees, whose practices range from exclusive jurisdiction to consultative or advisory roles. The companies listed the following duties as the ones most often assigned to the standards organization:

- Assist in the formation of company standards policies.
- Develop procedures for the formulation of standards.
- Survey and report on internal company standards practices.
- Serve as a source of information to company management on standards topics.

### Lumber Exchange Fails Following 6-Week Trial

**Portland, Ore.**—An attempt to set up a commodity exchange for lumber products has been dropped after a six-week trial.

The National Lumber Exchange, Inc., closed its doors Dec. 4, and has been replaced by a conventional lumber wholesale firm, Lumber National, Inc.

Fred C. Talbot, treasurer and board chairman of the exchange, said sales volume did not reach a large enough level to cover overhead and justify continuation.

The exchange idea failed to receive participation and support of large segments of the lumber industry, according to industry sources. Eastern wholesale interests were notably cool.

### Matson Navigation Co. Seeks Freight Rate Hike

**San Francisco**—Matson Navigation Co., seeking to offset a \$4.5-million increase in costs, has filed for a 9% rate increase on ocean freight between the Pacific Coast and Hawaii. Unless protests are filed with the Federal Maritime Board and the agency orders a hearing, the new rates will become effective Jan. 20.

Matson also filed for higher charges on traffic moving from Hawaii to Atlantic and Gulf Coast ports. Randolph Sevier, Matson president, said labor, fuel oil, and repairs were responsible

for most of the cost increases in providing freighter service during the past year.

The 9% rate adjustment was expected to offset the increased costs, according to a Matson spokesman.

### Rayon Tow Rises 1¢

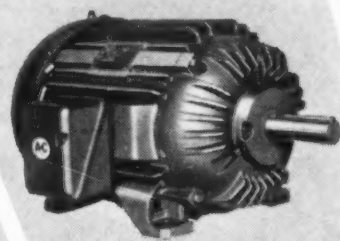
**Philadelphia**—The American Viscose Corp. has increased the price of its large rayon tow, but the prices of other AVISCO rayons remain unchanged. The price of five and a half denier and finer moved from 32 to 33¢ a lb. Nine denier and coarser was raised from 34 to 35¢.

### Arizona Making Study Of Iron, Steel Needs

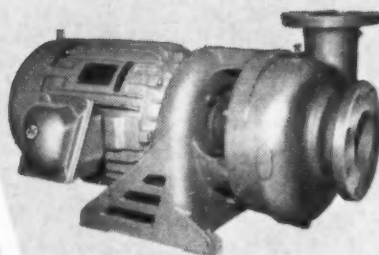
**Phoenix, Ariz.**—Arizona's Development Board is making a survey of state iron and steel needs to provide a better picture for manufacturing and fabricating in the area.

Universal Operations Research, Inc., Tucson, will help in the work. This will include total tonnages of different types of steel products used in and around Arizona and information on prices, shipping charges, markup in relation to present and future needs, and other pertinent information.

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## Order Heavy Electrical Equipment Now, E.E.I. Power Report Indicates

### Makers of Generators Turbines, Transformers Committed into 1960

**New York**—Purchasing agents planning to buy heavy electrical equipment better place their orders in a hurry. This is obvious to anyone studying the 22nd semiannual electric power survey made by Edison Electric Institute.

Manufacturers of such equipment—generators, turbines, steam generators, hydraulic turbines, and large power transformers—already have orders for delivery in 1960 and later.

The survey is prepared by an E.E.I. committee with full cooperation of all power systems in the United States and all principal manufacturers of such equipment.

Here is a breakdown of the various types of equipment:

**Steam Turbine-Generators, 10,000 kw. and larger**—With a total capacity of 15,576,200 kw. manufacturers already have orders for all but 100,000 kw. of their 1958 total. They already have over 12 million kw. booked for 1959, and over 7.5 million for 1960 and later. These are the generators going into utility company power stations and a very few industrial power stations.

**Steam Turbine-Generators, 4,000 to 9,999 kw.**—Of a potential output of 348,300 kw. in 1958, nearly 150,000 kw. are already on order. Most of these will go to industrial power plants.

**Generators for hydraulic turbines, 4,000 kw. and larger**—All but 100,000 kw. of the industry's 2,321,600 kw. is booked for 1958. In 1959 80% of the capacity is already spoken for.

**Steam Generators (450-psi pressure and higher)**—In 1958, orders cover 130,734,000 lb./hr. Open capacity is only 14 million lb./hr. Only 82 million lb./hr. is open in 1959.

**Hydraulic Turbines (5,000 hp. and larger)**—Only 500,000 hp. is open of the industry's 3 million hp. capacity in 1958. Just a million is open in 1959 and 2 million in 1960.

Additional orders since the report was released two months ago have reduced these open capacities for all equipment.

### Penn. Revamping Buying System

**Harrisburg, Pa.**—State officials, clamping down on alleged loose purchasing procedures, have just embarked on a program to streamline Pennsylvania's vast purchasing framework.

A six-member executive board, composed of Gov. George M. Lender and ranking cabinet members, gave Andrew M. Bradley, \$20,000/yr. director of the commonwealth's Property and Supplies Department, a green light to centralize various purchasing activities more directly under his command.

The reorganization also calls for expansion of the Bureau of Procurement and shifting the im-

portant Bureau of Standards from control of a deputy to Bradley.

The moves are the second round of Bradley's efforts during the past year to clamp down on what was termed as "loose operations" in Pennsylvania's multi-million dollar purchasing activities. Earlier he sparked an investigation of purchasing methods in the Bureau of Publications and Purchases by the State Justice Department.

Bradley said the intent of the inquiries was to determine whether there were any "loop-holes" in the laws governing the bureaus. He also indicated he wanted to determine if any officials were abusing their power.

The general reorganization plan calls for expansion of Deputy Secretary William C. Austin's procurement operation from three general divisions of purchasing to six. The new setup includes three divisions of general purchases for various types of materials with the remaining three for special, highways, and internal services purchases.

Bradley said expansion of the purchasing divisions was neces-

sary to "expedite those types of purchases which can flow more freely than others." He hopes to cut costs for the state by speeding up orders and in turn enable suppliers to receive payment sooner.

### Tennis Ace McLoughlin, Profiled in 1st P.W., Dies

**Hermosa Beach, Calif.**—Former tennis ace Maurice E. McLoughlin, 67, who was subject of the profile in the first pilot issue of PURCHASING WEEK (Sept. 2, 1957), died here Dec. 10. He was a purchasing executive during his later years.

Known as the "California Comet" in pre-World War I days, McLoughlin was one of the greatest tennis players of all time. Winner of the national singles championship in 1912 and 1913, he was enshrined last March in the Tennis Hall of Fame at Newport Casino, R. I.

McLoughlin worked as department assistant in supply for North American Aviation in Los Angeles. His job included buying tools, equipment, and materials for plant operation, maintenance, and production.

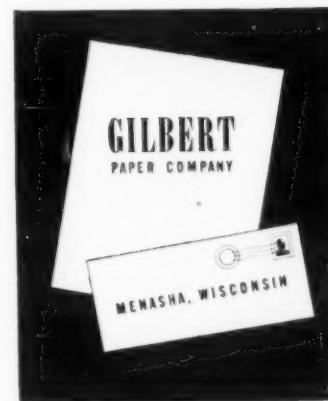
Upon his death, the well known sportsman was the subject of stories in newspapers and columns from coast to coast.

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# Research Group Studying Changes In Rails Service To Aid Shippers

Committee Surveying Needs of Pacific Coast; Other Areas Also Under Investigation

San Francisco, Calif.—Some changes in rail freight service may result from studies being made by four railroad-industry-sponsored research groups on ways to make rail transportation more attractive to shippers.

G. M. Bruere, chairman of the recently formed Mountain Pacific Research Committee, said his group is talking to shippers up and down the Pacific Coast in an effort to find out what services they need from railroads.

A similar group, Transcontinental Rail Lines Research Committee, has been set up in Chicago. The Western Trunk and Southwestern Lines Research Committee soon will be established in St. Louis. The three regional groups are under the auspices of the Association of Western Railways. A fourth research group, sponsored by the Traffic Executive Association—Eastern Railroads, recently was organized in New York City.

The railroads, watching their portion of the total freight volume decrease, have decided to do some basic research aimed at making their product more marketable and adapting it to new requirements of industry.

Bruere said he expects his preliminary recommendations on improving rail service to be in the hands of the committee's eight sponsoring railroads by early April.

In this preliminary study the committee will talk to traffic managers in a wide variety of industries. It wants to find out why some shippers use truck instead of rail transportation, and it will ask them whether railroads are failing in any way to meet

their needs. It will ask shippers whether they need more help on packaging and loading problems, more service, different scheduling, etc.

The research committee will be a permanent organization with a scope including the 11 western states.

## Price Increase Set By Armstrong Cork

Lancaster, Pa.—Price increases averaging approximately 2 to 5% have been announced on a number of products in the Armstrong Cork Co.'s line of resilient flooring and wall covering materials effective Dec. 31.

The company said the increases were made necessary by the continuing rise in labor costs, raw materials, and inbound freight.

Products affected include Lino-leum (except Royelle, in both roll and tile form), vinyl plastic Corlon, Rug Border, Custom Corlon Tile, Rubber Tile, Linotile, Rub-

ber Runner, and most sundry items, except tools.

Mill service truckload buyers of Armstrong asphalt tile and excelon tile can now purchase adhesives for these materials on a mill service basis. Adhesives can be included in truckload shipments of tile, and will be shipped direct to the job site or retailer's warehouse.

Chemicals Procurement Co., 550 Fifth Ave., New York, acts as a clearing house for rare chemicals. The company arranges for special groups of chemists to take on the synthesis of rare chemicals to customer's specifications.

## Argentine Tung Oil Needs Export Markets

Buenos Aires—New market outlets are needed for Argentine tung oil exports since the three-year export quota to the United States has already been filled, it was announced here.

Tung producers here currently have a surplus of 14,000 tons. The need for new markets is all the more pressing as the production of nuts is increasing.

Argentine planters, of course, would like to see their product go to the U.S. Prices are much lower in Europe where competition with Red China is squeezing profits.

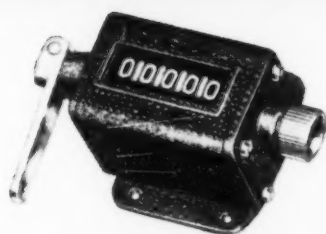


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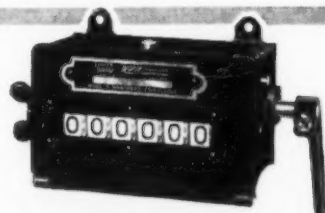
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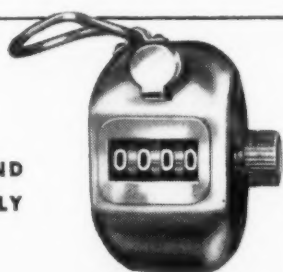
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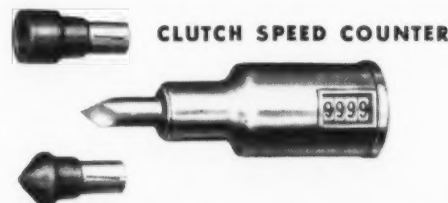


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## Delaying Lumber Laid to Railroads

Washington—The Interstate Commerce Commission has accused the Northern Pacific and Union Pacific railroads of intentionally delaying carload shipments of lumber.

The federal agency, in injunction suits filed at Des Moines, Iowa, and St. Paul, Minn., contended the railroads violated federal law by holding up lumber shipments in transit while shippers and brokers tried to sell the timber.

ICC Chairman Owen Clarke said the agency's move against the roads was the start of a crack-down on a "harmful" practice engaged in by a number of leading railroads. Clarke said the delays create costly operating problems, avoid proper payment of demurrage, result in carriers assuming storage costs of the lumber dealer, and contribute to car shortages.

In 1870, only 35 minerals were needed to support the U.S. economy, reports "Engineering and Mining Journal," a McGraw-Hill publication. Today more than 100, most of which are indispensable to modern industry, are required.



## Which Gas: Regular, Premium, or Super-Premium?

Here Are the Advantages and Disadvantages  
Which P.A.'s Need to Know to Buy Wisely

By Donald MacDonald

**Detroit**—Which gasoline to buy for commercial vehicles? Should it be regular, premium, or super-premium? What about octane ratings, additives, and oils?

These points can make a difference of 2 to 6¢ per gal. of fuel and per qt. of oil . . . adding up to substantial savings for commercial fleets.

Regardless of cryptic, high-sounding trade-marks, the cost of a gasoline is basically determined by its octane number. Octane is not an ingredient. It is merely a measure of a fuel's performance capability. Engines, even of the same make, differ in their octane requirement which is fixed by compression ratio and spark setting. Gasoline with too low a rating can cause serious mechanical damage. But, on the other hand, octanes in excess of requirement are utterly wasted.

### Trucks Don't Need Premium

No gasoline-powered truck, delivery van, or fleet-type passenger car being built today requires the octane level of premium gasoline. In fact, if regular grades continue to be boosted in octane (latest surveys show 94.4 octane regular being sold in some eastern areas) it might be worthwhile to consider a special, cheap "third-grade" blend.

But, despite wasted octanes, there are some excellent arguments in favor of using the best grade of gasoline in any vehicle. For example, all crude oil contains an appreciable amount of sulphur which forms harmful acids in the engine. Total elimination of sulphur in the refining process is prohibitively expensive, and the odds are that any refiner spends more to rid his premium grade of as much sulphur as possible. This holds true for other, unwanted agents.

### Tailored to the Season

Premium gasolines are more likely to be "tailored" to climate and geography. In summer these fuels are more resistant to vapor lock. In winter, the blend is changed to provide more volatility for fast, cold-morning starts. Usually only premium fuels contain an alcohol additive in winter to prevent icing of carburetor and gas lines.

### Universal Use Cited

The most widely publicized gasoline additive is phosphorus, under such trade names as TCP, MCP, and X-chemical. They all do fundamentally the same job . . . modify spark plug deposits to prevent fouling. Refining circles believe that use will soon be universal, even in regular grade fuels. More miles per gallon and less spark plug maintenance may warrant the extra cost.

### Fleets Haven't Proved Boron

Boron compound additives are more controversial. Proponents claim that boron will modify combustion chamber deposits and thus cut maintenance, especially in "stop-and-go" driving. However, fleet test results are still too scanty to be conclusive.

Several premium gasolines feature an additive that acts as an upper cylinder lubricant. The purpose is good because the bulk of engine wear occurs at the instant of starting. However, the protection provided by this type of additive has never been accurately determined. One refiner has an anti-rust additive originally developed to protect storage tanks and pipe lines. It has

the same beneficial effect on a car's fuel lines.

Choosing a proper lubrication oil is a complex matter. One generally accepted rule is to choose an oil of the same brand name as the gasoline used. Oil and gasoline additives are not universally compatible, and mixing brands sometimes leads to minor but annoying maintenance problems.

Use a "heavy-duty" oil for heavy duty service. Stop-and-go delivery service is far more severe than cross-country trucking. Fre-

quency of oil changes in a given operation can only be determined through experience. Recommendations of refiners and vehicle makers are often overly cautious.

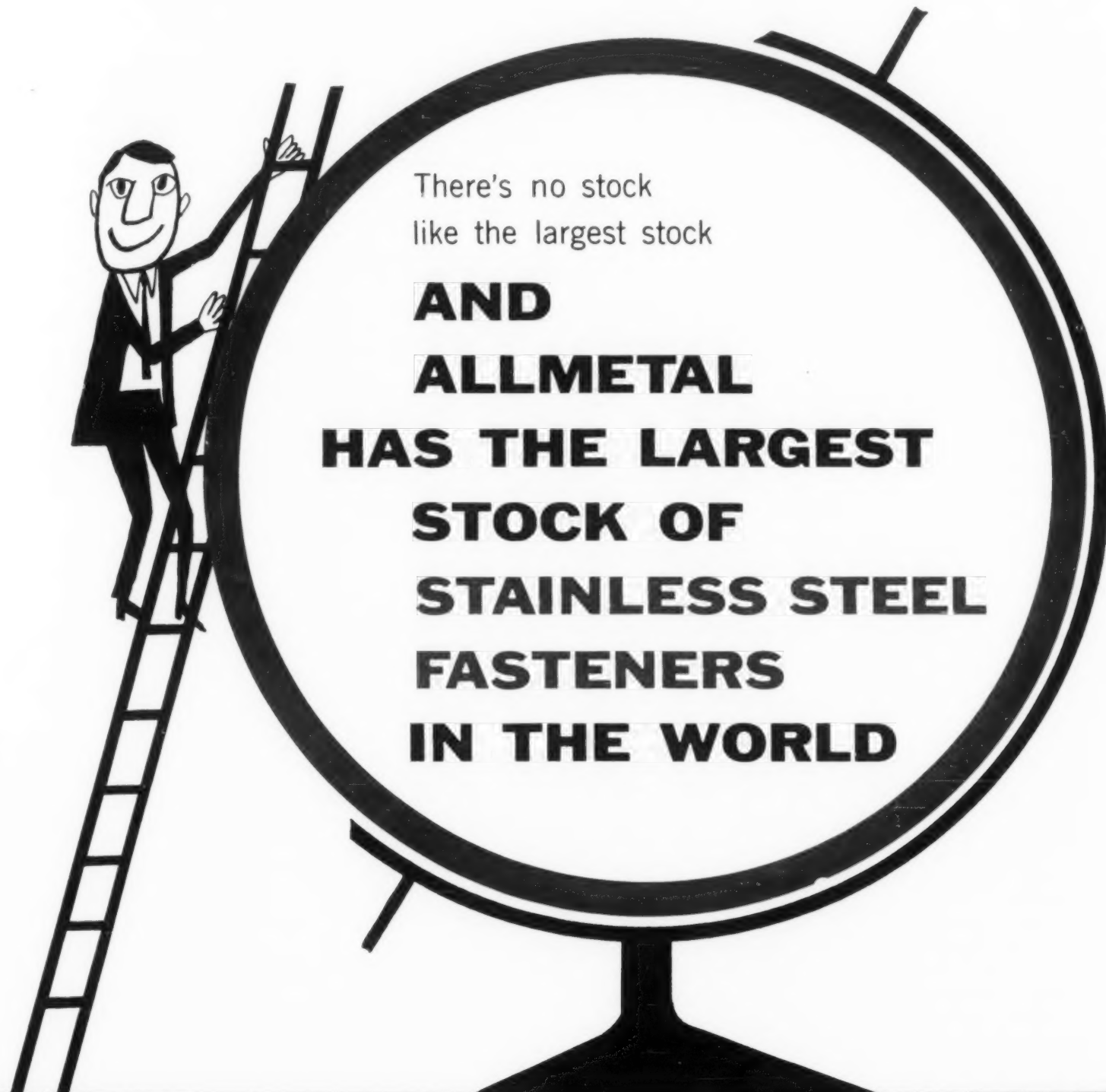
American vehicle manufacturers make no recommendations on using types of crankcase additives that come in cans separate from the oil. Extensive testing in Detroit has yet to pinpoint a real advantage offered by these additives in normal service.

**Tie clasp** with attached usable 2-in. miniature slide rule is now on the market, according to "Product Engineering," a McGraw-Hill publication.

## Maintenance of Plants Shows Cost Increase

**New York, N. Y.**—The cost index of plant maintenance showed a new gain in the last half of 1957, and a slow rate of increase is seen for the first half of 1958 with a steeper climb to follow, according to "Factory Management and Maintenance," a McGraw-Hill publication.

The increase in the index for the first 10 months of 1957 was 2½%. This is less than half the rise in the first 10 months of 1956. "Factory" predicts a resumption of an upward climb for the last half of 1958.



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# How a Purchasing Agent Can Impress His Top Management

By RICHARD M. CROWLEY

Manager, Purchasing Department  
Westinghouse Electric International Co.  
New York, N. Y.

There are two main approaches to impressing top management with the value of the purchasing department. One is from within the organization, the other from without. Both have their place.

If a company has a vice president in charge of purchasing, it's obvious that purchasing is considered equal to sales and manufacturing. In that case the battle is almost won. Presumably the man in charge of purchasing has the confidence of top management. The job then of a purchasing agent or buyer is to feed information to his senior officer. In this way it will reach top management.

## P.A.'s Are Part of Management

The recent tendency is to include purchasing agents as part of management, but it is not a general rule. Often purchasing is represented on some form of planning committee and operates at a lower level than a vice presidency. Membership on this planning committee, however, permits purchasing agents to participate in basic business discussions. This creates opportunities to show importance of purchasing to management. But, if an organization has a planning committee and purchasing is not or is only partially represented, it should be the objective of the P.A. to participate in all discussions.

If a company does not have a planning committee, there will be some variation of it. These include joint traffic and purchasing, cost control, and inventory control committees.

## Committee Work Pays Off

The purchasing agent should spend as much time as possible with these groups because their findings and suggestions gain management's attention. Their effort is regarded as the best thinking available for a particular problem. Of course, committee work is onerous and time consuming, but it is a must under present-day management administration. Don't forget that the administrator, a member of top management, utilizes abilities and capacities of others. Unless he has an idea of the ability and capacity of the individual, top management will be unable to utilize these abilities.

There are specific ways purchasing functions can be brought to the attention of top business executives.



**Reports**—All of us write reports. Each prepares one in his own way, and each executive reads the report in his own. It is foolish to keep writing reports in our own way if the executive indicates he would like them in another.

A report should be brief and concise. If it is too complete, an opportunity for discussion has been lost. But on the other hand, if your superior wants a comprehensive account, you must adjust accordingly.

Obviously the report is important, or it would not be written. But individuals being what they are, only so much can be assimilated in a report. I like to leave a few incomplete ideas to determine whether the executive has read it. I find that if a situation is only indicated, the executive will request a verbal explanation.

**Memoranda**—A purchasing agent has many opportunities to notify an executive about significant items which may not come to his attention. A fertile field would be our trade journals, bulletins from purchasing agents' associations, and other similar media. This information appears in a concise and complete form. It differs from the approach found in newspapers and magazines. If not overdone, it must



engender in the executive's mind a feeling that his purchasing manager is watching events which affect purchasing.

**Cooperation**—It is extremely popular at present to run medium and large businesses on a team basis. It is good business to co-operate with other department managers. One of the most difficult tasks facing an executive is to referee a difference of opinion between departments. I certainly don't suggest the purchasing manager compromise a situation on which he feels quite strongly. But in my experience there is almost always another side. I recommend the purchasing manager seek out the supervisor of sales or manufacturing and



attempt to work out a proposed solution which can be presented jointly to management.

Certainly such an approach will enable the executive to consider the problem from his end without ruling directly against one or the other supervisor. Of course, if the suggested solution turns out to be the wrong one, the blame can also be equally divided.



**Purchasing Department Manual**—Preparation of a Purchasing Department Manual offers a unique opportunity to influence executives. In the preparation many basic policy decisions must be defined. There are questions that will have to be answered by top management as well as management of other departments. If the P.A. starts with a clear idea of what such a manual should

contain and if he has developed the ability to present his idea in a straight manner, he will gain greater stature. What is more, he will know more about his responsibilities.



**Reciprocity**—I assume that all companies are in business to make money. To make it usually involves the sale of equipment or services. To sell, our company needs a market. We find many times our suppliers are also our customers. Our sales departments are interested to some degree in our supplier-customers. The P.A. should within bounds of his code do as much as he can to establish good relations with supplier-customers. I do not recommend that reciprocity be developed to the point where it is paramount in a transaction. But handled intelligently, reciprocity can be important to the company's well-being and stature of the purchasing agent in management's eyes. I accent the word "intelligently" because it is a two-edged sword and should be used with care.

**Purchasing Profit**—Traditionally purchasing has been known as an expense department, but management is slowly learning of its tremendous potential for increasing profits. An effective way of advertising purchasing's contribution to profits is to measure cost reductions. Many of our Westinghouse appliance factories establish realistic purchased material cost bogies and then police operations to assure that the



bogies are not exceeded without top management approval.

We establish our cost bogies by working back from the list price less the discount, excise tax, operating costs (engineering, administration, advertising, etc.), and the desired profit on assets and arrive at a works delivery cost. This will give us the desired return on our assets. The difference between this and the actual works delivery cost is our cost reduction objective.

## P.A. Sets Up Price Bogy

We then prepare a product line cost analysis for each component of the item under discussion and set up estimates based on previous experience. We estimate where cost can or must be reduced to meet our total cost objective. And finally, we prepare an analysis showing actual accomplishments when the item is in production. Buyers are instructed not to buy over the bogy cost without the P.A.'s approval, and commitments are not made before proper price determination.

We put a cost control coordinator in charge of each line of TV's, radios, etc., and all information flows through the coordinator. Each buyer is on his toes to resist cost increases; and when negotiations fail, he notifies the cost control coordinator. A meeting is held with the purchasing agent and the plant manager, and a decision is reached to accept any increased cost, redesign the item, or take some other action.

## Personal Development a "Must"

Selling top management cannot be done without pursuing personal development and development of subordinates. Now, as never before, it is the purchasing agent's obligation to himself and his company to seek continually ways of personal development in his own business and in his knowledge of business in general.

The fast moving tempo of our times requires that we keep up in every way with the many technical and economic factors continually affecting operations. Never before has management been so keenly aware of the necessity of developing administrative and executive talent. Almost every company is aware of this situation. To refuse to recognize it, or to participate unwillingly, is to pass up chances to influence management.

This applies not only to per-



Richard M. Crowley



sonal development but also to the development of people who report to you. It is human nature to hold together an efficient group, especially one you have grown accustomed to directing. But it is quite possible that unless you offer to that group the opportunities to go on to better positions, not only in purchasing but also in sales, manufacturing, and administration, you yourself will be shunted aside and end up with few friends. The man you develop today in purchasing can easily become tomorrow's executive.

**Influencing Management from Outside**—There are many ways of influencing management outside the purchasing function. Membership in the National Association of Purchasing Agents, which in most cases has executive approval, is an indication that management has been influenced and agrees that purchasing is an important business phase. Executive approval of membership should be followed up by participation in the activities of the local and national organization. Knowledge of such participation invariably gains the attention of the executive or group of executives who control your company's destiny. It can not fail to have a good effect on their immediate and long-term planning.

A final suggestion: Be on the constant lookout for new ideas. Look beyond daily responsibilities from time to time to see whether some other function in your company or in industry has hit upon a potentially better way of doing things. See if it can be applied to purchasing operations. Come up with a plan which you can discuss with other department managers or with the executive involved.

Even if study shows that these new ideas are not adaptable to your operations, you will at least have conveyed the idea that you are a person who is not only able to discharge your present responsibility but quite capable of going on to positions of greater stature. Management is always on the lookout for potential. If you do a good selling job, it will not be long before you and the purchasing function are really part of management.

### NICB Says Union Dues Hit \$620 Million Yearly

**New York, N. Y.**—National Industrial Conference Board's second survey of union revenue and membership revealed that income from dues among labor unions with headquarters in the U. S. amounts to an estimated \$620-million a year.

The 1957 figure is approximately \$162-million higher than the annual dues rate of 1955. Of the 191 unions surveyed this year by the board, 45 indicated they raised their dues since 1955.

A wood crusher has been invented in Austria that makes obsolete an ax for chopping wood into small pieces. The device is a steel cone with wood-screw heads on top, a smooth center section, and a ring at the base. The threaded tip drills itself into the wood, the rest of the cone literally squeezes the wood apart, and chips are broken away by the ring.

## Truck Rates Up in Mid-Atlantic

**Washington**—Shippers in the Middle Atlantic area have been hit with a truck freight rate increase which amounts to a maximum 4.3% boost.

The Interstate Commerce Commission allowed the increase by refusing shipper pleas to keep the minimum truck load weight at 23,000 lb. The minimum weight was hiked to 24,000 lb. on request of the Middle Atlantic Conference, a trucking rate group representing about 600 certified carriers.

An ICC official pointed out, however, that the 4.3% increase

is only "in the maximum instance" and that most shipments will not be hit that hard.

The increase affects most classed truckload traffic. There are a number of exceptions including runs between Philadelphia and New York and the Philadelphia "short haul" area. Shipments within the Middle Atlantic territory and to New England are included in the rise.

Fighting the increase was the Eastern Industrial Traffic League, a group of small shippers. Truckers, who won the increase effective Dec. 16, had argued that

heavier truckload weights were necessary for proper utilization of new, heavier equipment.

### Want a Warship?

**Washington** — Warship buyers have been given a "break."

Thanks to a recent White House proclamation, it is now easier to purchase an obsolete Naval vessel than it has been since 1883. The 75-year-old bond requirement has been withdrawn and hereafter only a 10% cash deposit will be required with a bid.

## Calif. P. U. C. Grants 11.3% Freight Rate Hike

**San Francisco**—A recent rate hike granted by the California Public Utilities Commission permits railroads to increase most intra-state commodity rates for shipments in carload lots by 11.3%.

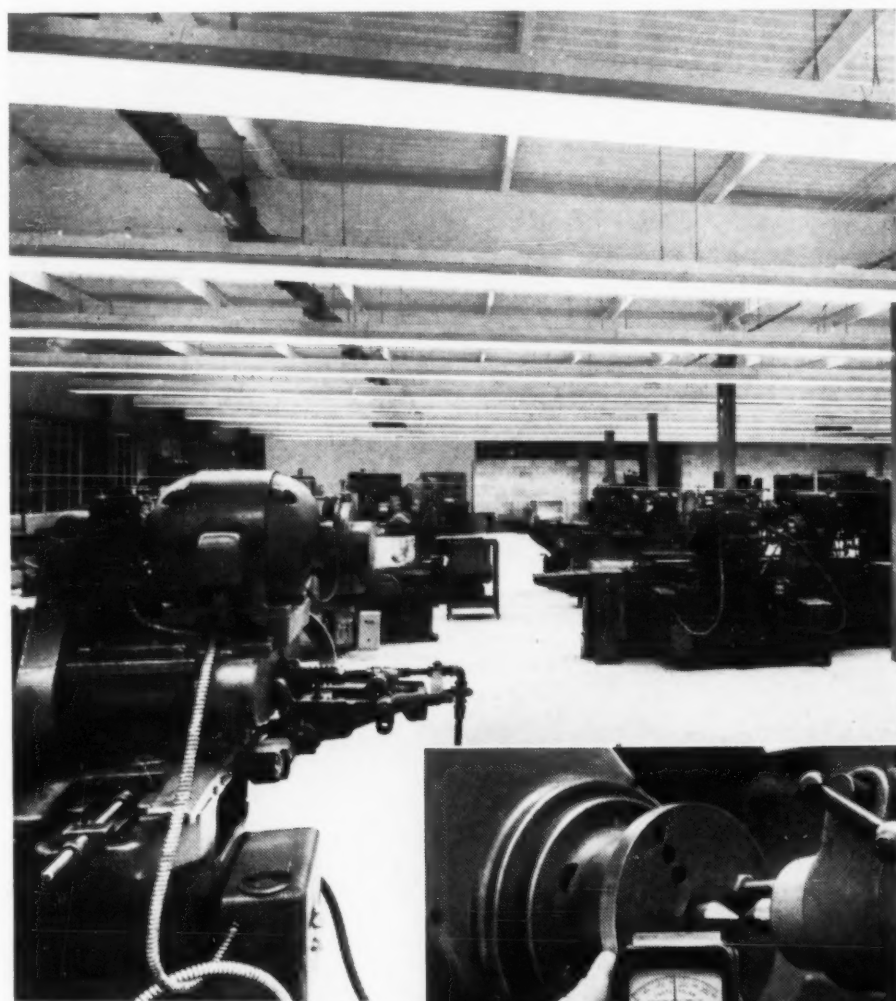
Truckers also were directed to make similar increases in rates which they maintain at the same level as the railroads.

The boost was made mandatory by a Nov. 29 decision of the Interstate Commerce Commission. Certain commodities were excepted, and others received a lesser increase.



# The Powerful Power-Groove!

*General Electric's radical new fluorescent lamp design can give you higher, more economical light levels*



**AT ERICKSON TOOL COMPANY** (above), 450 G-E Power-Grooves, eight feet long, mounted 10 feet high, with 10 feet between rows, maintain a lighting level of 160 footcandles economically. This means there is plenty of light right at the machines (see footcandle reading at right)—where extra light means extra safety, extra accuracy for workers. No supplementary lighting is needed. Powerful Power-Grooves do it all!

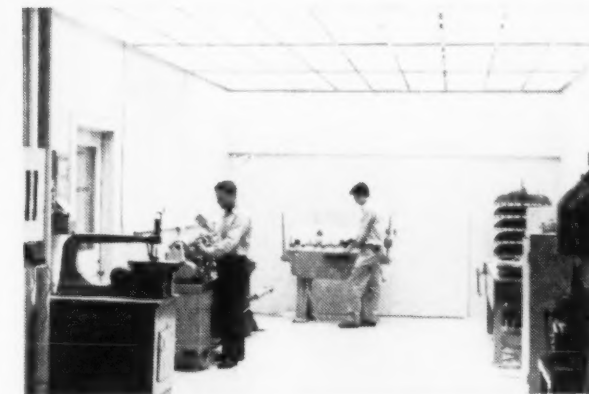


While plans for their new building were still in the early stages, officers from Erickson Tool Company of Cleveland, Ohio, visited the Lighting Institute—General Electric's lamp headquarters at Nela Park. There they saw the whole array of lighting methods and discussed the powerful new G-E Power-Groove Lamps.

They were shown how these revolutionary lamps provide outstanding general lighting, making it unnecessary to use supplemental lighting on individual machines (like that used by Erickson toolmakers in their old plant). They saw how powerful Power-Grooves would fill a plant with pleasant light that's easy on the eyes . . . as well as the pocketbook. The decision was made: Erickson's new plant would have G-E Power-Groove Lamps throughout!

Because G-E Power-Groove Lamps give nearly twice as much light per tube as High-Outputs—2½ times as much as 8-foot slimlines—you can get more light per fixture—with fewer parts to maintain. And compared to other fluorescent systems, you can save 5-20% on your initial investment.

Get the whole exciting Power-Groove story. Write General Electric Co., Large Lamp Dept. PW-18, Nela Park, Cleveland 12, Ohio. Better still, visit Nela Park and let us show you on-the-spot demonstrations of how the powerful Power-Grooves can work for you . . . economically.



**WORLD'S BRIGHTEST WORKSHOP**—Now you can see powerful Power-Grooves in action . . . lighting the world's brightest workshop. It's at the G-E Lighting Institute at Nela Park. Plan to visit it and see for yourself.

*Progress Is Our Most Important Product*

**GENERAL  ELECTRIC**





J. R. CADE

### Southern Pacific Names Cade Purchasing Agent

J. R. Cade has been named purchasing agent by Southern Pacific for the railroad's Pacific Lines.

G. C. Freeborn, assistant to the general purchasing agent for the system, becomes assistant general purchasing agent for the system.

D. K. Rose, assistant purchasing agent for San Francisco, advances to assistant purchasing agent for Pacific Lines.

Cade had been purchasing agent for the San Francisco territory since 1955.

Arthur N. Turner, Jr., has joined Hinde & Dauch, Division of West Virginia Pulp & Paper Co., Sandusky, Ohio, as Baltimore district sales manager.

Frank K. Platt has taken the new post of central regional manager for American Air Filter Co., Louisville, Ky.

Richard E. Blandford has been promoted from customer services manager to acting director of purchases by Chicago Apparatus Co., Chicago. Blandford succeeds Stanley P. Dodd, technical director, who has been acting director of purchases since the death last September of Edgar P. Schumann.

Budrick Schindler has been appointed manager of purchasing at The Garrett Corp.'s AiResearch Mfg. Division, Los Angeles. With the division 17 years, Schindler had been serving as buyer-in-charge, equipment and supplies group and buyer-in-charge, purchase parts and raw material. E. A. Bellande, a vice president of Garrett, has been elected vice chairman of the board.



ROBERT GALE has been promoted from production buyer to supervisor of supplies purchases by the Axle Division, Eaton Mfg. Co., Cleveland. Richard H. Shelley succeeds him as production buyer and Alfred H. Michaud, a buyer of tools, was named production parts buyer to succeed Shelley.

James O. Armstrong has been appointed divisional purchasing agent by Western-Waxide Division, Crown Zellerbach Corp., San Leandro, Calif. He replaces John Plankinton, now assistant resident manager of the division's St. Louis plant.

Ray Lightball has been elected treasurer of Haughton Elevator Co., Toledo. His duties include the general supervision of purchasing activities. Lightball succeeds Harold W. Seymour, who retired recently.

William A. Patterson has been elected president of The Cleveland Ladder Co., Inc., Cleveland.

He succeeds William E. Fowler, who retired after 28 years as head of the firm.

William B. Harris has been made manager of western commercial sales by Townsend Co., New Brighton, Pa., and John H. Roy has been promoted to manager of aircraft sales.

Pat H. Luckett, sales manager of Rockwell Mfg. Co.'s Instrument Division, Tulsa, has been advanced to assistant product manager gas products for the firm's Meter and Valve Division, Pittsburgh.

Peter W. Platten has joined the

Coated Abrasives Division, Armour & Co., Alliance, Ohio, as sales supervisor for the eastern and southern part of Michigan.

Elmer W. Ellsworth succeeds Fred O. Fuller as sales manager of Stanley Electric Tools, division of The Stanley Works, New Britain, Conn. Fuller retired Jan. 1; he joined the firm in July, 1918, as a member of the purchasing department where he worked for 11 years. Ellsworth had been assistant sales manager.

O. W. Carpenter, formerly vice president, construction machinery and finance, is now executive vice president for Chain Belt Co., Mil-

waukee. Elevated to vice presidents are: W. C. Messinger, vice president—construction machinery section, E. M. Rhodes, vice president—industrial equipment section, and G. H. Woodland, vice president—marketing.

Robert E. Meyers, assistant purchasing agent for the Doehler-Jarvis Division of National Lead Co., Toledo, has been appointed purchasing agent for Plant 1.

Edward H. Roos has been made vice president in charge of purchasing, production, and engineering at C. A. Norgren Co., Englewood, Colo. Roos had been factory manager since 1949.





# Seaway Will Link Lake Ports With World

(Continued from page 1)

- costs, offering the P.A. closer sources of supply.
  - Better transportation rates from railroads and trucks as water shipping offers strong competition.
  - Expansion of established industries, able to compete in foreign markets through lower shipping costs.
  - Group buying for similar industries locating in same area.
- Although the initial surge of

trade along the Seaway may be slower than forecast by starry-eyed Chambers of Commerce, it will come. The Great Lakes area and hinterland now contain 45% of the manufacturing facilities of the U. S. and 70% of Canada—plus even greater shares of the buying population. This concentrated production capacity is bound to grow because of one fact. It is cheaper to ship long distances by water than by rail or truck.

Cheaper water transportation will intensify industrial trade in

the Great Lakes area. Bulk traffic will prefer to use it. Iron ore, grains, coal, and other raw materials are expected to flow in increasing amounts to industries locating in the area, taking advantage of this cheaper transportation.

As foreign trade lines are established on the St. Lawrence and Great Lakes, the area will grow. Foreign lands will offer new markets for excess American and Canadian production as well as good buys to the P.A. European sources will be closer in

both miles and dollars.

Another factor assuring growth of this area—natural population growth and demand of expanding populations on both sides of the waterway—depends not on the Seaway. But it may be accelerated by the penetration of the continent by ocean vessels.

Many have hoped for too much—or predicted too little—from the Seaway not knowing exactly what it involves. As created by agreement between Canada and the United States in 1954, the Seaway is a waterway between Montreal and Lake Erie only—a channel to open this area to ocean-going vessels of 27-ft. maximum draft. To achieve this,

the United States will spend \$140 million and Canada \$320 million for navigational improvements. This is the part that will be finished in the spring of 1959, permitting larger vessels than now traverse the 14-ft. channel to travel between Montreal and the Lakes.

But in designing the Seaway to conquer a drop of 300 ft. between Lake Erie and Montreal, it was seen that the power potential of the St. Lawrence River could be tapped at the same time. So another bi-nation agency is authorized to construct a 2.2-million-hp. hydroelectric project at Massena and Cornwall. The cost of this is divided equally, as will be the resulting power. The New York Power Authority, a state agency, is providing \$300 million and the provincial Hydro-Electric Power Commission of Ontario another \$300 million for construction.

## Study Shows Traffic Types

A study of traffic on the new waterway reveals several distinct types. Interlake traffic now totals about 260-million tons per year. Foreign traffic (to or from ports outside Canada and U. S.) totals only about 1½-million tons. The former will be little affected by the Seaway while the latter is expected to grow appreciably. And a third type—between North American ports and the Great Lakes—will make a definite impression on Seaway traffic. The first year alone, iron ore from Labrador may reach 10-million tons. Within a few years it may increase to 20-million.

## Tolls Will Govern Growth

But the growth of traffic will be governed by tolls levied to repay construction and operating costs. High tolls will discourage traffic, and even low tolls will imperil marginal concerns now using toll-free passage of the Welland Canal. Some interests maintain that even though the Act of 1954 stipulated tolls for repaying federal construction funds, an old treaty between United States and Great Britain forbids tolls on this international waterway bordering Canada and United States.

Anticipated tolls now under study will probably average 50¢/ton for bulk shipments and \$1.25/ton for general cargo traversing the entire Seaway. There will be graduated variations for partial transit and for specific products within each group.

## Action Next Month

Definite tolls, even though altered later, probably will be set by next month. Otherwise it will be almost impossible to arrange all the details of sailing rates, schedules, terminal facilities, and other requirements for successful shipping to start next spring.

The growth of foreign general cargo on the Seaway will depend on establishing frequent sailings. Two years ago there were 19 lines making regular calls for foreign cargo into the Great Lakes. Last summer nine more were added, including such names as Furness, Cunard, and Isbrandtsen. As soon as tolls are established, other lines will probably come in too, with American lines at-

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Cohoes, New York

Niagara Corrugated Container Division  
Buffalo, New York

Great Lakes Box Division  
Cleveland, Ohio

Crowell Carton Division  
Marshall, Michigan

Dubuque Container Division  
Dubuque, Iowa

Superior Paper Products, Pittsburgh Div.  
Pittsburgh, Pa.

Superior Paper Products, Mt. Wolf Div.  
Mt. Wolf, Pa.

Ajax Box Division  
Chicago, Illinois

Corrugated Fibre  
Shipping Containers

Corrugated Fibre  
Shipping Containers

Corrugated Fibre  
Shipping Containers

Paper Mill, Corrugating  
Medium, Container  
Chipboard, S. F. Rolls

Corrugated Fibre  
Shipping Containers

Corrugated Fibre  
Shipping Containers

Folding Cartons  
Set-Up Boxes

Folding Cartons

Corrugated Fibre  
Shipping Containers  
Folding Cartons  
Set-Up Boxes

Corrugated Fibre  
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Middletown, Ohio

Seattle, Washington

San Jose, California

Affiliated Company

### GROWERS CONTAINER CORPORATION

Box and Package Plants

Salinas, California

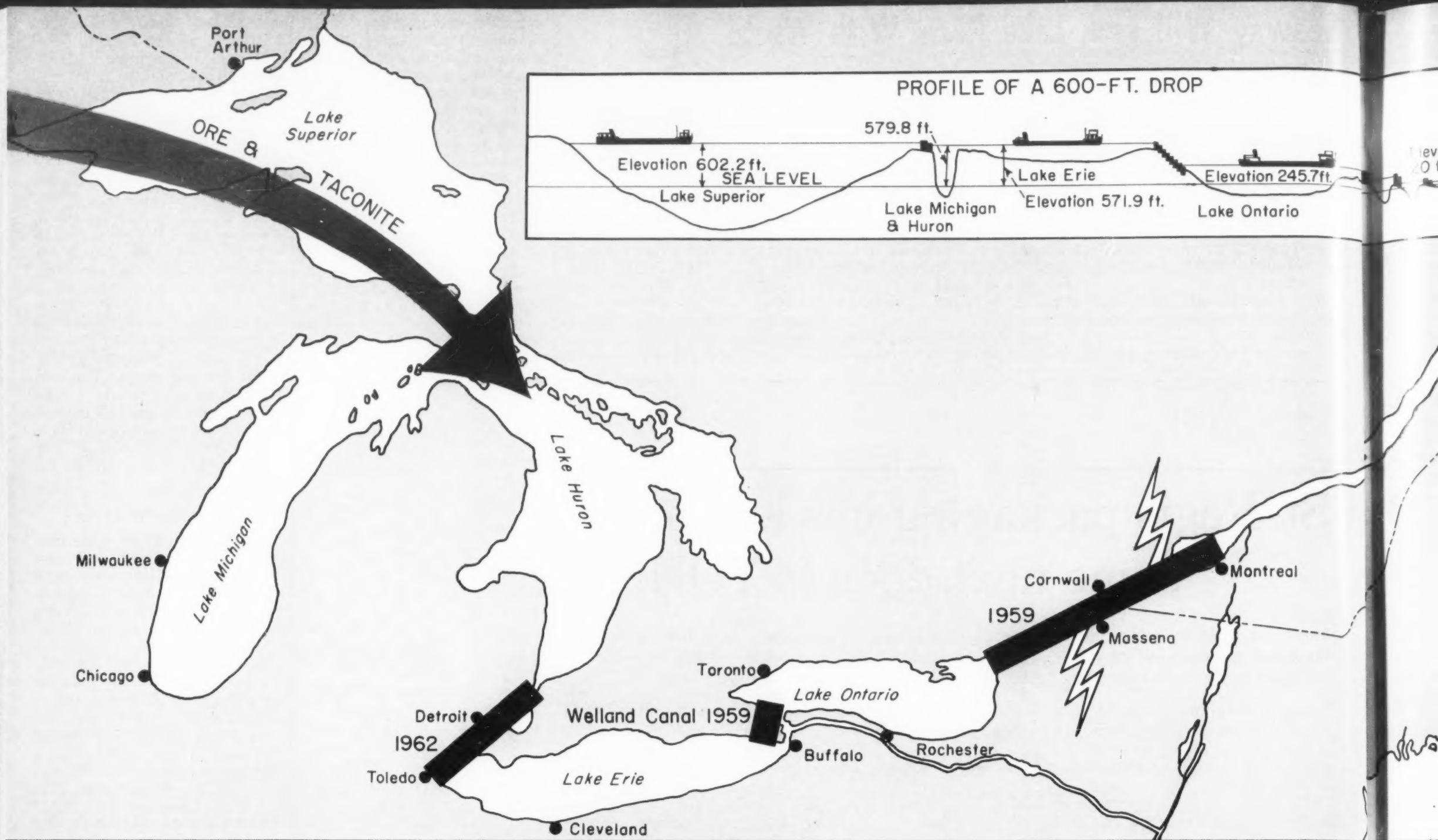
Fullerton, California

Jacksonville, Florida

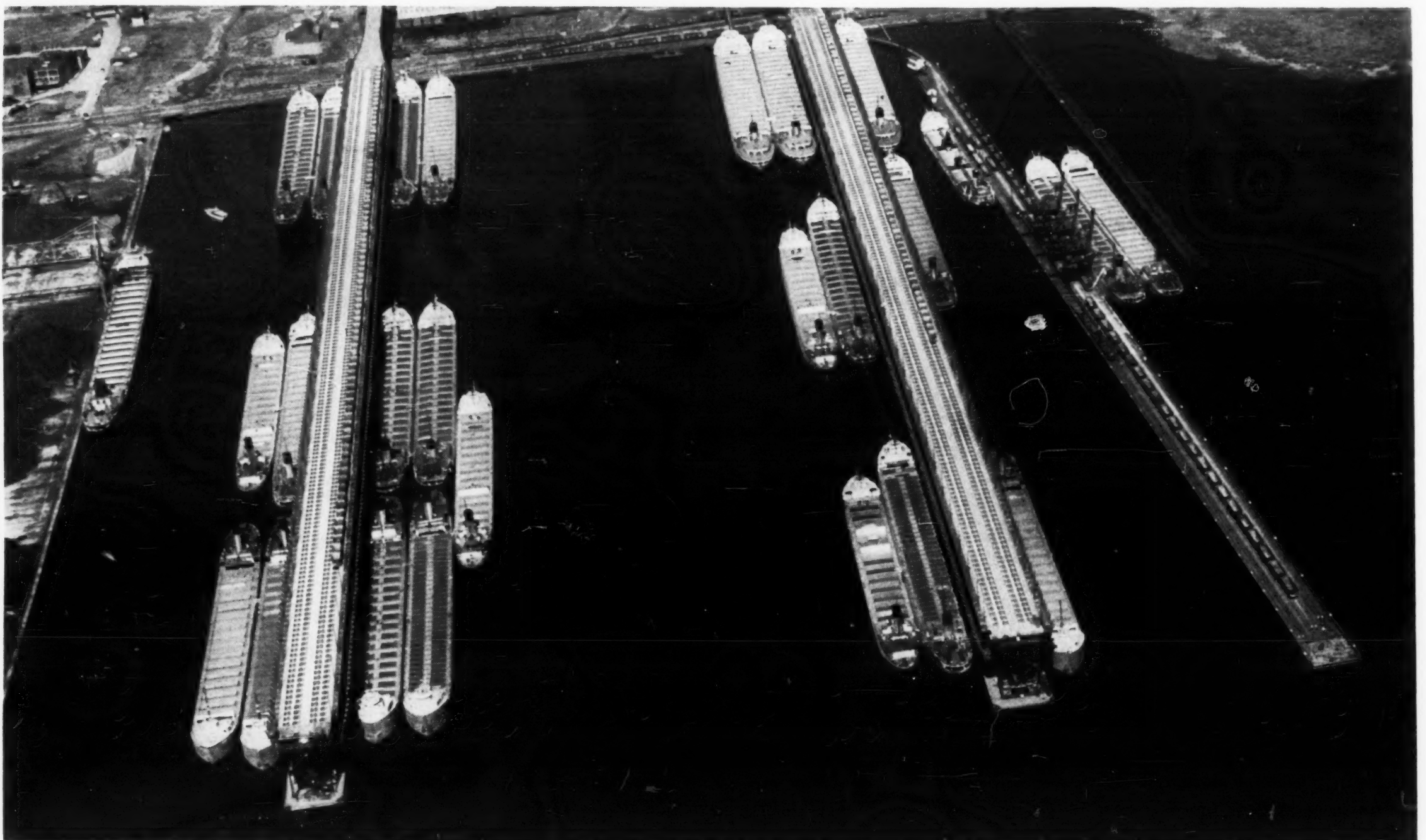
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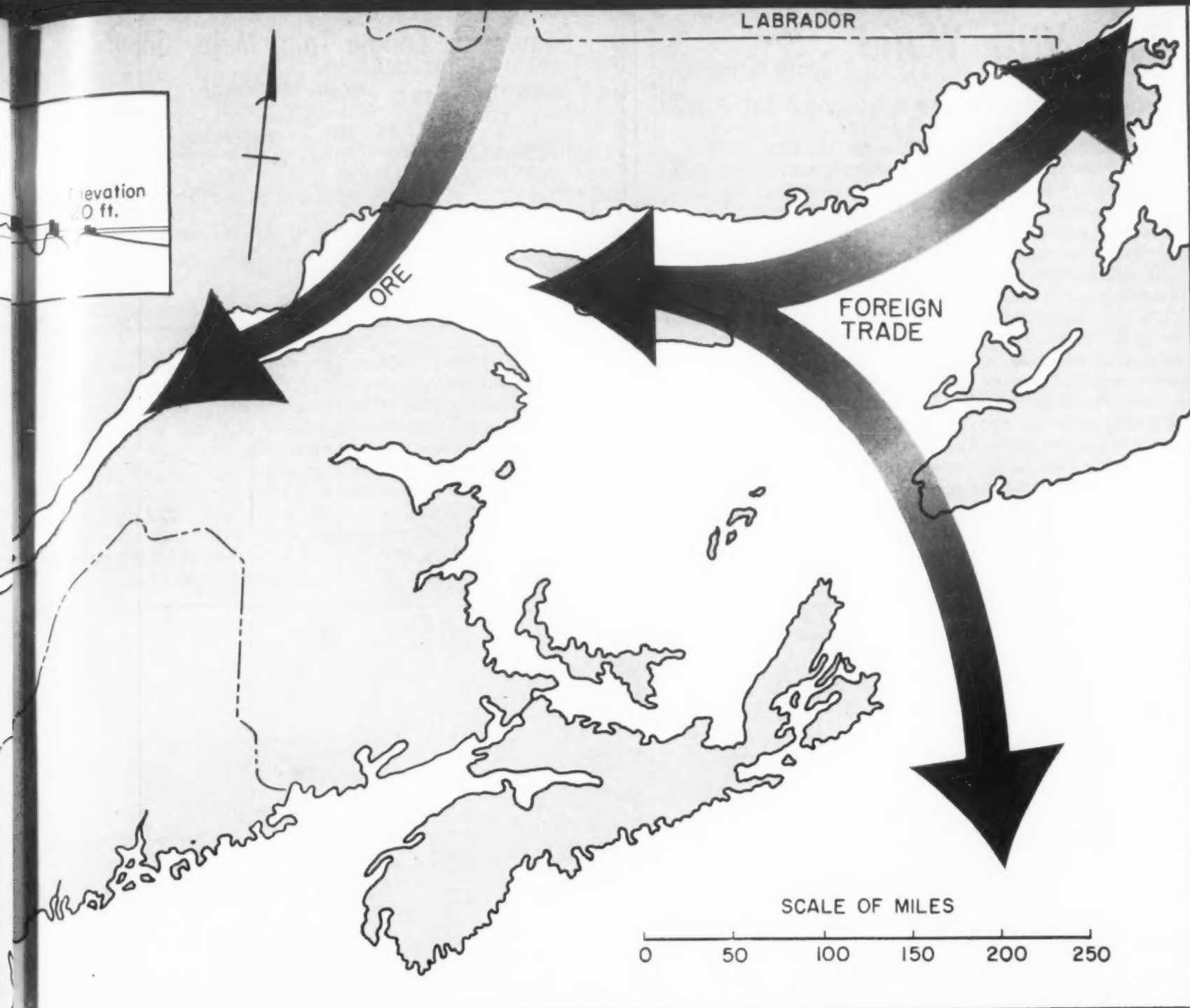


## Inland Seaway Promises Cheaper Tr



ORE BOATS supplying 30% of the world's steel-making capacity will be biggest user of new seaway, carrying ore from Labrador and Mesabi.





## Seaway Also Offers P.A.'s These Advantages

Many of your future purchasing decisions may be made on the basis of developments shown on the map at the left. This vast area—sometimes called the U. S. "heartland" or "Ruhr"—is guaranteed still greater growth by gradual completion of the St. Lawrence Seaway plus discovery of new raw material supplies.

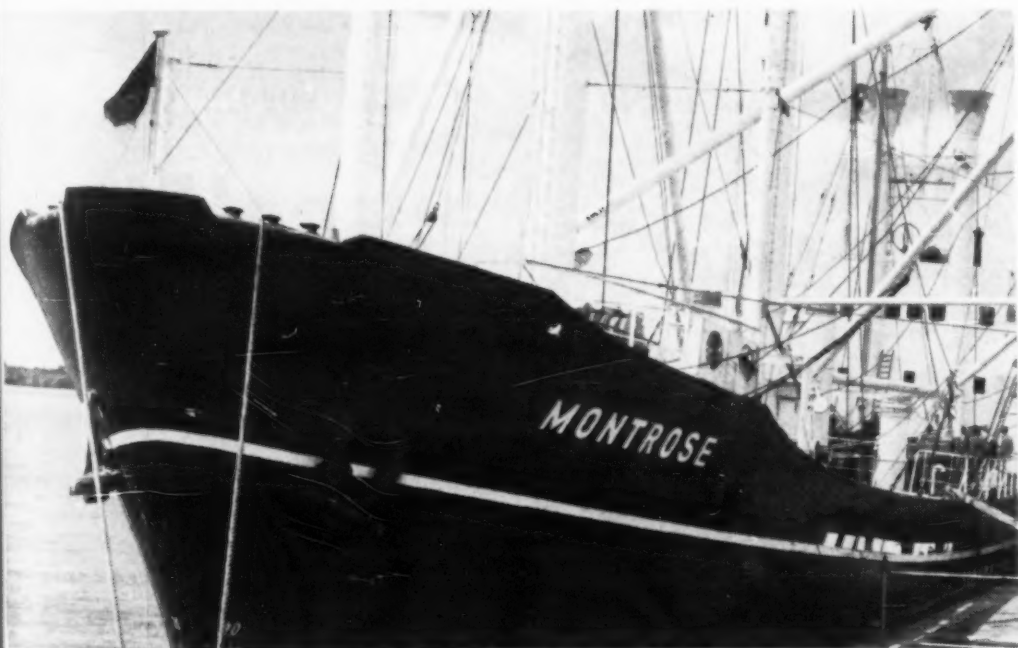
Ocean shipping will be possible as far as Lakes Ontario and Erie by next year, farther on by 1962.

The Seaway is a joint project. Canada is footing \$320 million worth of navigational improvements, the U. S. \$140 million. Together the two nations also are underwriting a \$600-million power development near Massena, N. Y. and Cornwall, Ontario.

If tolls to repay the navigational outlays approximate the \$1.25/ton general cargo and 50¢/ton bulk cargo guesses, purchasing agents can expect better buys to come via water. Other likely purchasing advantages:

- Direct access to foreign markets.
- Expansion of industry, both old and new.
- Competitive rate adjustments by railroads and trucks.

# Transportation for Purchasers



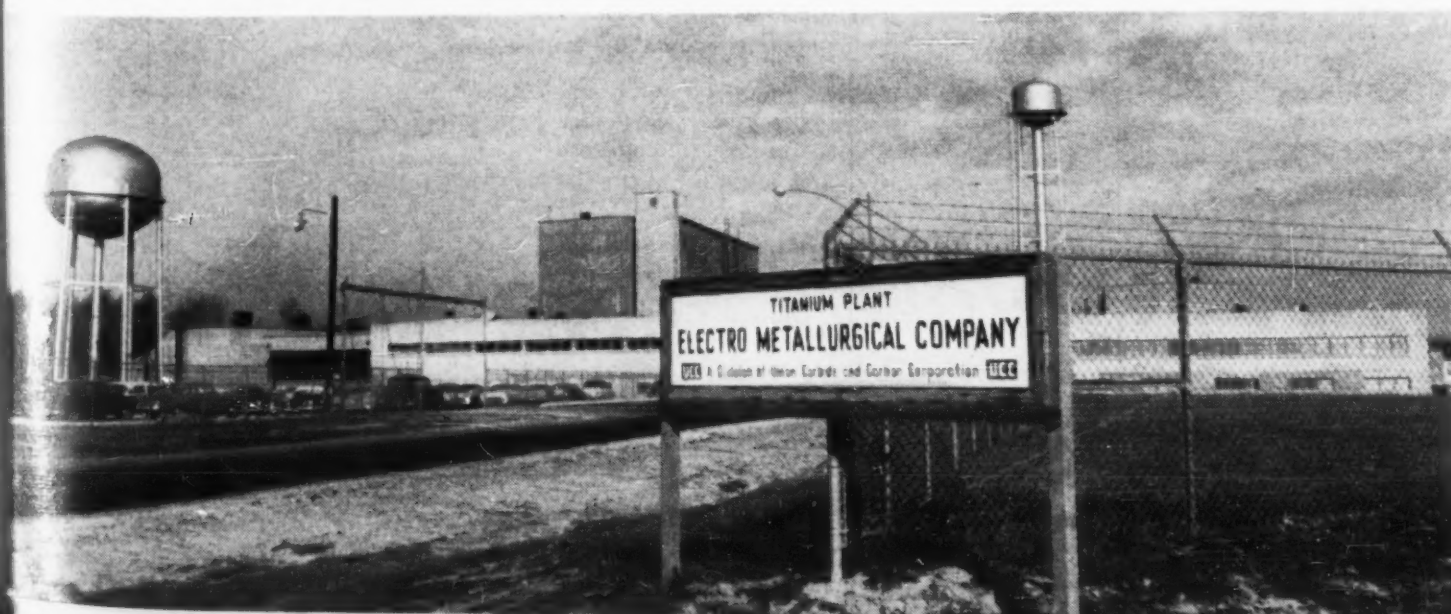
**FOREIGN SHIPMENTS** of general cargo will be carried by at least 27 lines now sailing on the Great Lakes—an increase of 50% over last year's total



**NEW TERMINALS** and other cargo-handling facilities necessary for the anticipated tonnage increase are now under construction in Milwaukee (above), Toronto, and 13 other ports.

**NEW MANUFACTURING PLANTS** locating in the Great Lakes area will have access to both raw materials and larger markets via the seaway. Potential hydroelectric development of the St. Lawrence River will be another attraction.

**ICE WILL LIMIT SHIPPING SEASON** to 220 days a year, requiring stockpiling or alternate shipping in winter.





## Seaway Will Link Lake Ports With World

(Continued from page 19)  
tracted by a 50% subsidy. But demand for shipping and new schedules for foreign ports will develop together in leap-frog fashion.

Great Lakes-St. Lawrence shipping suffers and will continue to suffer from weather conditions. Ice on locks and canals limits shipping to about 220 days out of the year. For this reason many pessimists foresee small growth for general cargo traffic. But others see this kind of traffic increasing to 6.5-million tons soon after the Seaway opens.

If the time should come when physical volume or the continued growth of traffic demands spreading shipping over a 12-month period, there are many who feel it will be possible to keep the

Seaway open during the winter. One method under careful study is a Swedish scheme developed by Atlas-Copco and used successfully in the Gulf of Bothnia. The principle is simple: bubble compressed air under water and bring 36-deg. water to the surface. This will not only keep the water from freezing but will also melt any ice on the surface. Refinements to this method are necessary, however, to make it practical for a swiftly flowing stream like the St. Lawrence.

Though shipping rates via the Great Lakes are extremely favorable for European and Scandinavian business, other considerations also will govern growth of this trade. These are:

- Frequency of sailings.
- Amount of cargo at one port.

• Efficiency and cost of individual ports.

- Customs handling.
- Supplementary truck and railroad facilities.
- Banking and commerce.

Very few ships can afford to stop at a port to pick up only a few hundred tons of cargo. Multiple loading at many ports will cancel the lower overall rates for water transportation. Ideally, shippers would like to pick up and discharge cargo at one main inland port. Even though this is not possible, the same consideration will limit the number of stops a ship makes. If frequent stops are impractical, the number of sailings from any one port is reduced, along with chances for increased trade.

Prompt customs handling is

## Seaway Is Longer Than Major Canals

Waterway	Depth (ft)	Length (miles)	Traffic (million tons per year)
Panama Canal	36	50	45
Suez Canal	31	102	90
Kiel Canal	31	62	50
St. Lawrence Seaway	27	114**	36***
		2,132**	

\* International Rapids Section

\*\*\* expected by 1960

\*\* to head of Lake Superior

also important. Toronto has recently established 24-hr. clearance at the unloading pier. And in emergency cases it has been possible to place a shipment on store shelves three hours after arrival. This kind of customs clearance attracts shipping.

Many ocean ships now traveling on the lakes are limited to 1,500 tons of cargo, at a 14-ft.

depth. But specially constructed ocean vessels will be able to navigate the new 27-ft. channel with cargoes of 9,000 tons. The even more efficient upper lakers will navigate the 27-ft. channel with bulk cargoes of 25,000 tons. And as the tonnage per ship goes up, the costs go down.

The Seaway promises much for industrial purchasing.

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1 1/2"	
2"	

... also available in all standard sizes, in any required length, with any standard or special fitting or flange.

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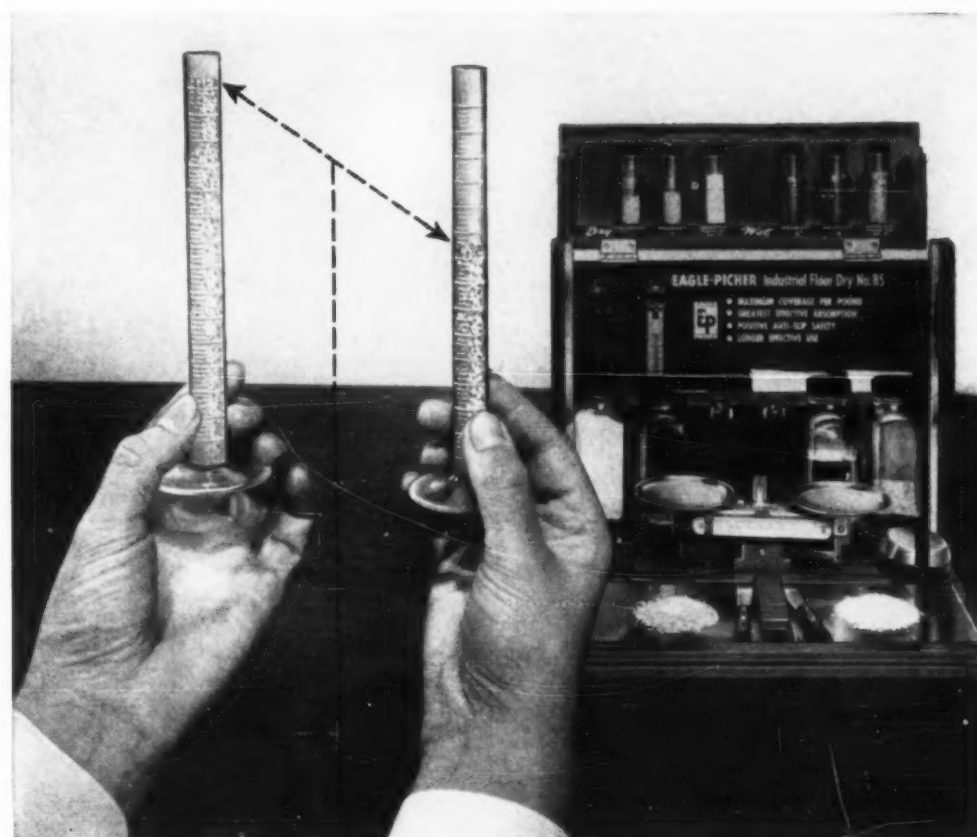
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IN YOUR OWN OFFICE, make this simple 15-minute test. Compare Eagle-Picher Industrial Floor-Dry to any other floor absorbent.

HERE'S WHAT YOU'LL PROVE TO YOURSELF about safe, skid-proof Eagle-Picher Floor-Dry: It's extremely insoluble, absorbs more oil and water. It goes further, provides much greater coverage. It reflects more light, brightens the work area. It's non-combustible, has no chemical reaction. It lasts longer, saves you money!

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Since 1843



WRITE TODAY. Our Eagle-Picher representative will bring the portable laboratory to your office where you may make this test yourself. The Eagle-Picher Company, Cincinnati 1, Ohio.



## Changes Sought In Purchasing

### Milwaukee County Study Recommends Revamping to Supervisors' Board

**Milwaukee**—A major reorganization of purchasing functions of the Milwaukee County government has been recommended by a sub-committee of the county board of supervisors.

The reorganization would create a department of centralized purchasing, establish an office of purchasing director, and set up a standardization committee to regulate county purchases more closely.

A subcommittee on purchasing of the board's special committee on reorganization made the recommendation, which must be considered by the full committee and then go before the county board. An ordinance was drafted to create the proposed department, and the county civil service commission was asked to write qualifications and an examination for the director.

#### Committee to Get Proposals

A participant in the subcommittee study that preceded the recommendation said that the proposals probably would come up before the full committee this month. If approved, they would go before the board. The same participant believes board approval is likely. The department would start functioning in 1959.

The department's work would be based on a preliminary study of buying specifications and purchasing rules made by the director, who would report to the standardization committee. It would include the director of county institutions, director of public works, general parks manager, superintendent of buildings and maintenance, and a citizen with experience in purchasing.

#### Branches Remain Open

Branch purchasing offices would be continued at the parks department and the county institutions which do about 86% of county purchasing. About \$6.4 million was spent on supplies bought through competitive bidding in 1956. Heads of the parks and institutions departments had opposed proposals which would remove their authority over purchasing, and the recommendation satisfied their objections. Eliminated in the recommendation are purchasing offices in the departments of public works, buildings and grounds, and county clerk's office.

The special committee on reorganization, which now has the recommendation, was established to study a report made two years ago by Public Administration Service, a Chicago firm which made a \$50,000 survey of Milwaukee County operations. This report proposed a central purchasing division.

Average length of the U.S. automobile has increased some 9 in. since 1953. There is very little difference now between low-price and high-price models. In fact, low-price cars today are as long as the average of all cars five years ago.

## Electrical Utilities Plan To Use Additional Fuel

**New York**—To keep up with America's growing demand for electricity, electric utilities will burn 8½% more fuel in 1958 than they consumed during 1957, according to "Keystone Coal Buyers Manual".

Utilities' consumption of gas will go up 11%, coal up 6%, and oil up 5%. Nuclear fuel will record a negligible contribution. High increase in gas consumption is ascribed to fast utility expansion in the Southern border states where it is plentiful and to switchover in dual gas-oil plants in favor of gas.

## Metallurgical Associates Plan Clinic Series On Cost Reduction for Purchasers, Engineers

**New York**—The consulting firm of Metallurgical Associates, Inc., has announced a series of cost reduction training clinics called "Getting the Most for Your Casting Dollar." Consisting of one-day working sessions conducted in major metalworking areas in the country, they are designed for buyers and engineers who work with castings.

Technical material will be under the supervision of Prof. Howard F. Taylor, head of the Foundry Department, Massachusetts Institute of Technology.

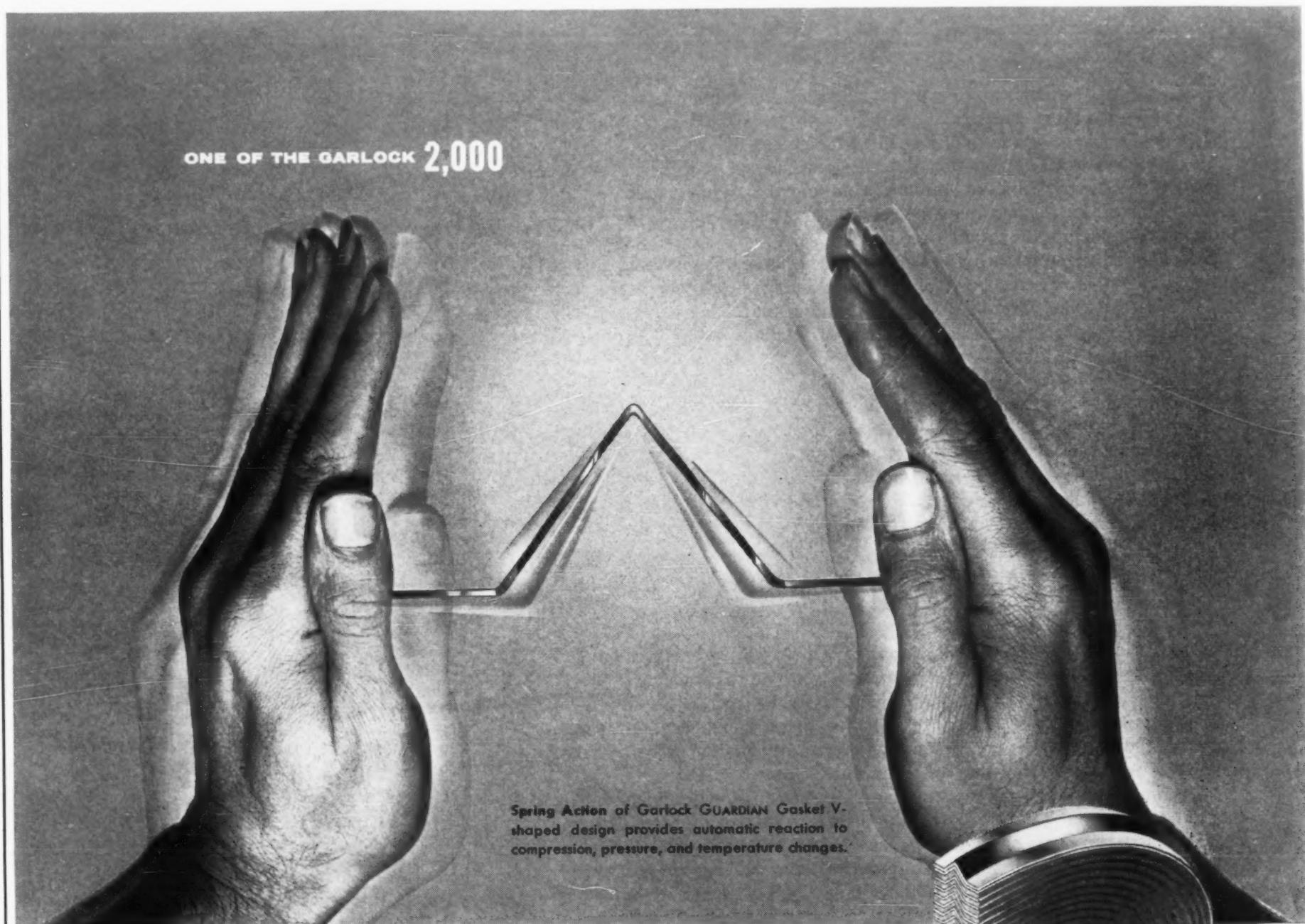
The clinics will emphasize reduction of material and manufacturing costs in handling castings. The subjects will cover metallurgy; design; physical properties; and cast processes for gray iron, steel, malleable, ductile, aluminum, brass, bronze, and other non-ferrous castings.

First clinic is scheduled for Thursday, Feb. 20, at the Sheraton Hotel, Philadelphia. Others to be held are: March 25, Carter Hotel, Cleveland; April 15, Sheraton Hotel, Springfield, Mass.; May 13, Robert Treat Hotel,

Newark, N. J.; June 3, Sheraton Hotel, Syracuse, N. Y.; Sept. 23, Sheraton Hotel, Boston; Nov. 5, Sheraton Hotel, Pittsburgh; Nov. 18, Sheraton Hotel, Baltimore.

The \$35-registration fee includes a text, working materials, and luncheon. Classes are limited, and advance reservations can be procured by contacting Harold Brown, vice president of Metallurgical Associates, Inc., 30 Rockefeller Plaza; New York 20, N. Y.

**Fly ash**, the precipitate from coal-burning electric power plants, is replacing some of the cement used in road building.

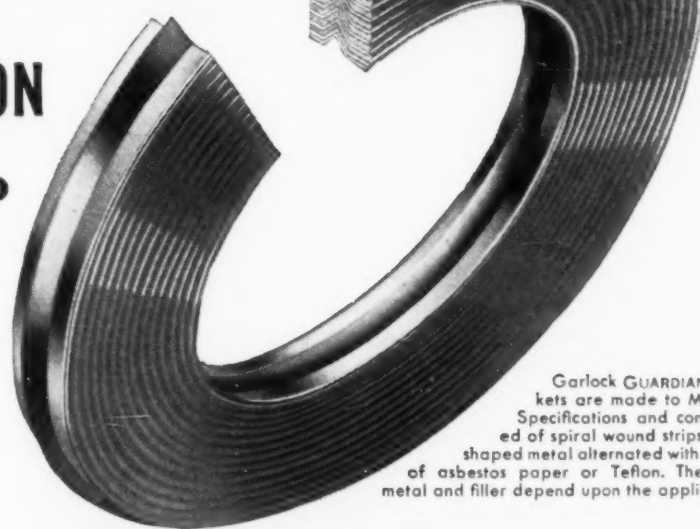


ONE OF THE GARLOCK 2,000

Spring Action of Garlock GUARDIAN Gasket V-shaped design provides automatic reaction to compression, pressure, and temperature changes.

## ACCURATELY CONTROL COMPRESSION WITH GARLOCK SPIRAL WOUND GUARDIAN\* GASKETS

Safe, positive sealing at highest temperatures and pressures, and under lighter bolt loads, is assured with Garlock GUARDIAN Gaskets. In no other type gasket can you vary the compressibility to meet different pressure requirements and established bolt loads. This is done by increasing or decreasing the number of layers of metal and asbestos paper (or Teflon). Compressibility can be controlled also by hardness and resiliency of the metal used. 304 stainless steel is used in standard construction. Other types of steel are also available when required. GUARDIAN Gaskets are recommended for use against steam, oils, gases, liquids including most chemicals at temperatures to 1050° F and pressures to 2500 psi.



Garlock GUARDIAN Gaskets are made to Military Specifications and constructed of spiral wound strips of V-shaped metal alternated with layers of asbestos paper or Teflon. The type metal and filler depend upon the application.

GUARDIAN Gaskets are another important part of the famous "Garlock 2,000" . . . two thousand different styles of packings, gaskets, and seals to meet all your needs. The *only* complete line. That's why you get unbiased recommendations from your Garlock representative. Call him or write for new GUARDIAN Gasket Catalog AD-104.

\*Registered Trademark

THE GARLOCK PACKING COMPANY, Palmyra, N.Y.

For Prompt Service, contact one of our 30 sales offices and warehouses throughout the U.S. and Canada.

# GARLOCK



Packings, Gaskets, Oil Seals, Mechanical Seals,  
Rubber Expansion Joints, Fluorocarbon Products



# Product Perspective

JAN. 6-12

It's as plain as the nose on your face: **The business commotion is flushing out new products and processes in a hurry.** There's a swivel-jointed reason, of course, why you will be bedazzled by a carnival of new things:

1. Sales-wise, this is a good time for suppliers to get them started. **The appeals of "new" and "better" imply cost savings**—which is what you are after.
2. By the same token, **the new-product maker wants to conserve his own time and money** by getting his goods off the drawing board and into mass distribution as fast as possible.

• • •

Here are some of the product trends you can see shaping up right now:

• **In metalworking:** Machine versatility will get a big boost from continued development of the **"building block" concept.**

**Complex machines**, especially those designed for automated production lines, **will be assembled from standard components.** This enables a company to purchase a basic machine, then add attachments—as needed—to adapt the machine to product changes.

**The idea is not necessarily limited to the big machines.** Some makers of small tools—air or electric powered—have been working along the same lines for some time. Look for them to offer many more attachments. Generally the tools are suited for maintenance shops or light production rather than mass production setups.

**Portable tools are trending toward light weight.** And many of them—screwdrivers, wrenches, riveters—will have improved automatic magazine feeds. A wider variety of impact wrenches will be made available.

In machine design, **the experience gained in the past year with ceramic tool bits is beginning to show up.** Heavy, more rigid machines with high speeds and feeds to take maximum advantage of the ceramic bits are on their way. (See p. 20)

• • •

**In materials handling, the high cost of warehouse space and labor is creating a demand for smaller fork trucks**—the type that can turn around in narrow aisles and stack higher. **Manufacturers are responding with shorter-coupled stackers.** Because most of these machines are battery-powered, the battery makers in turn are promising **smaller more powerful batteries.** **Automatic transmission is another comer.**

Meantime, **more attachments for handling odd-shaped products** will be marketed. Internal combustion-engine driven trucks are expected to continue to carry the lion's share of long, fast hauls.

**Paper pallets may become more popular this year.** They are particularly suitable to bagged materials, and they have the advantage of being disposable while taking little space. One drawback is the fact that special forks are necessary, and few truck makers have them right now.

**Improved standards by the conveyor manufacturers are in the making.** If they come through, purchasing for conveyORIZED handling should be simplified. For instance, a roller made by one company would be the same width as one made by another company.

• • •

**Magnesium, aluminum, and titanium are on the surplus list.** So those industries are likely to push product development harder than ever.

• **New die-casting methods are expected to make magnesium more competitive** in price with other metals. There will be more products in the materials-handling field, electronics, small machines, and consumer goods.

• **Biggest news in aluminum last year was the development of cans.** But you will see more aluminum in pipe, vehicles, and packaging.

• **Titanium's immediate hope, outside the military, is the chemical processing industry.** (Next week's Product Perspective will explore the metal's special problems).

• • •

**Newest plastic to hit the market is polypropylene.**

Its spectacular properties assure a wide range of applications: pipes, fittings, packaging, pump impellers, vacuum-forming sheets, even textiles.

**One company is ready to announce a process that automates the manufacture of glass-reinforced plastic parts** like boat hulls, vehicle bodies, and containers. A gun mixes plastic with catalyst, chops the glass rovings, and deposits the mixture on a form.

Incidentally, **record output for conventional polyethylene and competition from low-pressure polyethylene** probably will push down prices through the year.

Here's your weekly guide to . . .

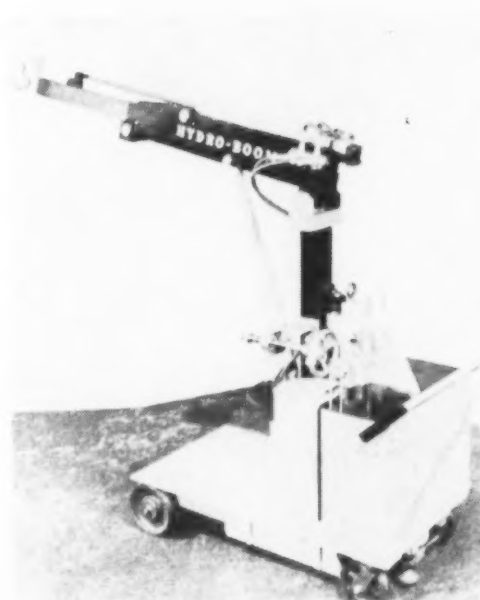


## Strapping Machine

Runs on Electric Power

Electric power strapping machine Model AE has 115-v. motor which provides exact and unvarying tension with pushbutton control. A single stroke hand lever seals and cuts the strap. Hex knob sets and holds calibrated tension and can be adjusted with a wrench. Portable unit weighs 2 lb. and can be used in conjunction with Model DF-7 or DF-10 portable strap dispenser. Skids, crates, bundles, or boxes are secured at up to 1,600 lb. tension.

Price: \$425. Immediate delivery.  
Signode Steel Strapping Co., 2600 N. Western Ave., Chicago 47, Ill. (1/6/58)



## Boom Truck

Powered Hydraulic Action

Hydro-Boom Model 110 positions work loads to 0.01 in. in both vertical and longitudinal directions. Boom movement is hydraulic. Boom reaches up to 48 in. beyond the front of the truck, keeping truck away from area to be serviced. Capacity at maximum boom extension is 1,500 lb., and 2,500 lb. with boom fully retracted. Truck is 32½ in. wide. Hydro-Boom is available either hand or battery-powered, with or without power propulsion.

Price: \$2,485. Delivery 30 to 60 days.  
Vanguard Engineering Co. 1908 East 66th St., Cleveland 3, Ohio. (1/6/58)



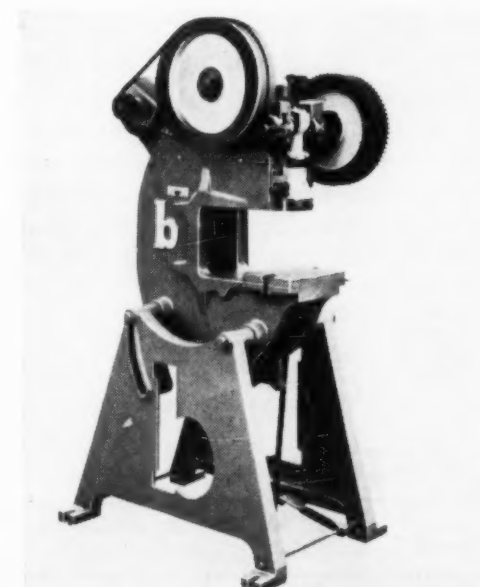
## Speed Reducers

For Light-Duty

Three small speed reducers, Models R113, T109, and U109, have been added to the 100 series. R113 is a miter gear reducer with 1:1 ratio and output from 0.03 to 0.333 hp. T109 is designed with the worm gear over, and U109 with the worm gear under. Ratios for both range from 5:1 to 30:1 and output from 0.03 to 0.08 hp. Features of this series include space-saving design, and finned housings for improved cooling.

Prices: Models T109 and U109—\$25.80; Model R113—\$23.30. Immediate delivery.

Boston Gear Works, Quincy 71, Mass. (1/6/58)



## Back-Geared Press

Has 10-Ton Capacity

The 10-ton Benchmaster is equipped with back gearing to prolong inertia force developed by flywheel over a long ram stroke and to slow the ram speed. This combination permits operations such as deep drawing, necking, expanding, and other jobs where metal flow is desirable. The Benchmasters are available in three shut heights: 7¾ in., 10¾ in. and 13¾ in. Ram center is 12 in. from nearest frame member.

Price: From \$710 to \$1,035. Immediate delivery.

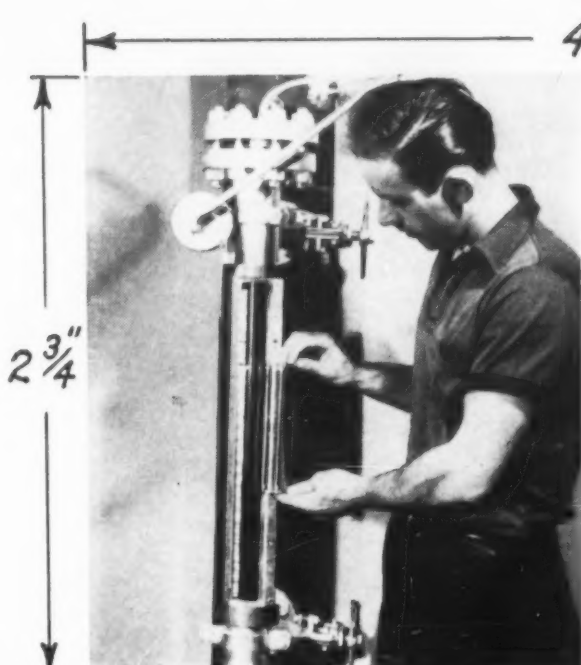
Benchmaster Manufacturing Co., 1835 West Rosecrans Ave., Gardena, Calif. (1/6/58)



# New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.

*Picture aids product recognition*



## Water-Level Gage

Designed for 750 psi.

Steam-boiler water-level gage is designed for use in power plants where steam reaches pressures over 750 psi. Gage consists of a non-magnetic stainless steel pipe and a metal float carrying a magnet which rides up and down on water inside pipe. Magnet acts through pipe wall on metal reeds. Reed opposite magnet becomes visible indicating water level. Valves at top and bottom of gage disconnect it from the boiler if leaks or other mechanical troubles develop.

Price: Lots of 25 are \$1,580 each. Delivery in 6 months.

Charles Engelhard, Inc., 850 Passaic Ave., East Newark, N. J. (1/6/58)

*Size permits you to paste on 3x5 card*  
*Copy gives only pertinent details, cuts your reading*  
*How much it costs and how soon you can get it*  
*You'll know when item appeared*

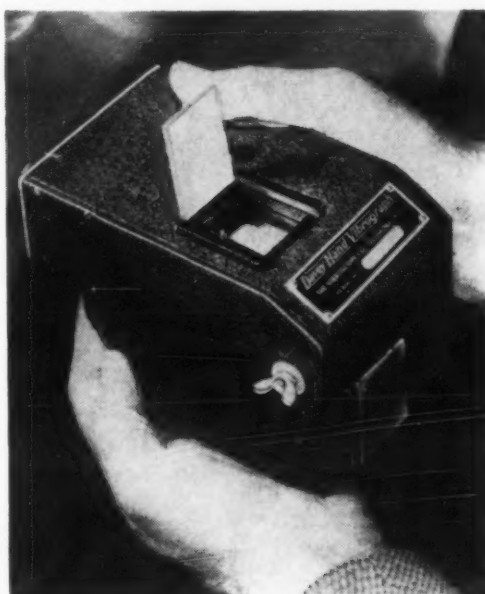
## Offset Duplicator

Has Automatic Plate Changer

Day-A-Matic offset duplicating machine can be used in general offset, short-run and systems-methods duplicating. It features an automatic plate changer and a universal systems feed combining automatic suction feeding with manual feeding. It allows continuous production eliminating manual mounting and removal of plates. Unit makes 3,000 to 6,000 copies per hr.

Price: From \$1,595 to \$2,400. Delivery depends on customer's specifications.

Davidson Corp., 29 Ryerson St., Brooklyn 5, N. Y. (1/6/58)



## Vibration Analyzer

Measures Amplitude and Frequency

The Davey Hand Vibrograph produces permanent records of machine vibrations on a continuous paper chart. Instrument measures vibrations over a wide range of frequencies and amplitudes. The instrument is entirely mechanical. No battery or outside power source is required. A sapphire-pointed stylus traces the magnified vibration waves on a waxed paper chart. An instantaneous external adjustment selects the degree of magnification desired, giving 40, 20, 10, or 5:1 ratios. It is housed in a neat portable case.

Price: \$365. Delivery in 2 weeks.

The Vibroscope Co., P.O. Box 97, Glenford, N. Y. (1/6/58)

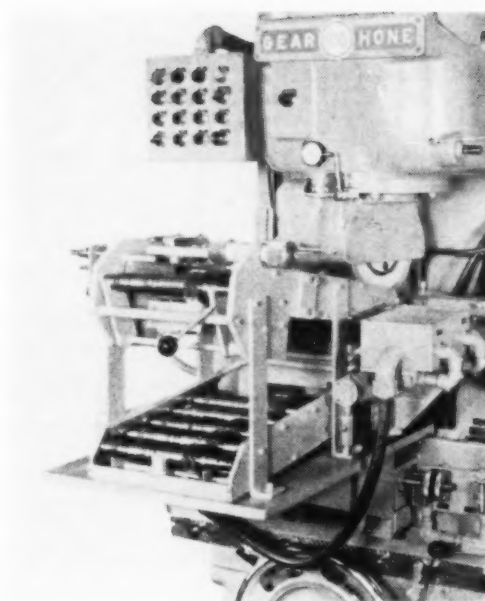
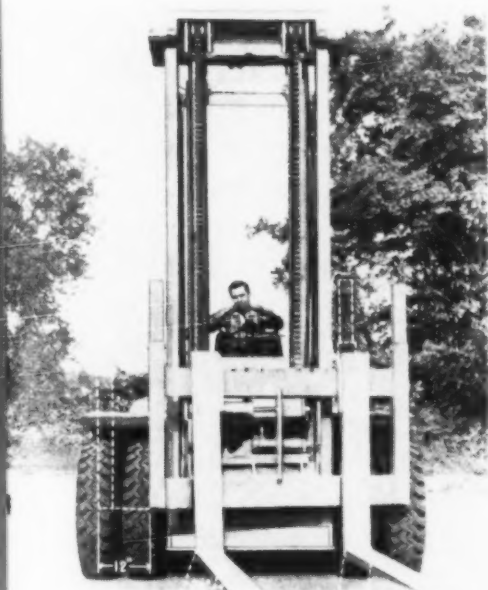
## Truck Attachment

Shifts Forks and Load

Swing-shift side-shift attachment provides fast handling of heavy loads. It is designed for Yale & Towne G3 gasoline-powered industrial lift trucks in capacities of 15,000 to 20,000 lb. Attachment can shift the truck forks and load 6 in. to either side of center. Swing shift feature permits slewing forks and load in a 10 deg. arc in either direction away from the normal straightforward position. The function of side-shifting and swing-shifting is accomplished independently or in combination.

Price: \$2,325. Delivery 3 to 4 weeks.

Yale & Towne Mfg. Co., 11000 Roosevelt Blvd., Philadelphia 15, Pa. (1/6/58)



## Automatic Gear Loader

Speeds Honing Operations

Rocker-type automatic loader handles long-shaft, unsymmetrical gears on both gear tooth honing machines and rotary gear shaving machines. Unit has a built-in gaging device, magazine feed, air-powered loading mechanism, and a discharge chute. Loader feeds finish-honed parts to unloading position in front of the operator. The loader fits National Broach & Machine Co.'s gear machines.

Price: \$4,000 to \$7,000 depending on complexity of gear being handled. Delivery 16 weeks.

National Broach & Machine Co., 5600 St. Jean Ave., Detroit 13, Mich. (1/6/58)

## Plastic Buffing Compound

High Color Without Static

Buffing compound for scratch-free finishing of all plastics contains a special ingredient that imparts anti-static properties to the part being finished. PC-93 compound is relatively dry and contains a soft abrasive. A built-in lubricant eliminates problems of roll-over or burning, particularly when softer plastics are involved. It is formulated for high-color buffing of thermoplastic materials. PC-93 has also been used on thermosetting phenolics.

Price: \$115.20 for 400-lb standard unit. Immediate delivery.

Hanson-Van Winkle-Munning Co., Grand Rapids, Mich. (1/6/58)



## Rotary Rock Drill

Truck-Mounted One-Man Rig

The Reich T-750 is equipped for both rotary and "down-the-hole" drilling. In rotary drilling almost 40,000 lb. can be exerted on the bit. In down-the-hole drilling, sensitive controls enable the operator to apply exactly the right amount of down pressure and rotation speed for maximum penetration by the hammer and bits. The drill has a minimum of control levers placed conveniently at the operator's station. One man controls all functions.

Price: Approximately \$36,000 unmounted. Delivery in 45 days.

Reich Bros. Mfg. Co., Inc., 1439 Ash St. Terre Haute, Ind. (1/6/58)



## TWO MODELS:

**MM-43  
FOR AIR  
POWER  
(illustrated)**

**MM-40  
FOR ELECTRIC  
POWER  
(not illustrated)**

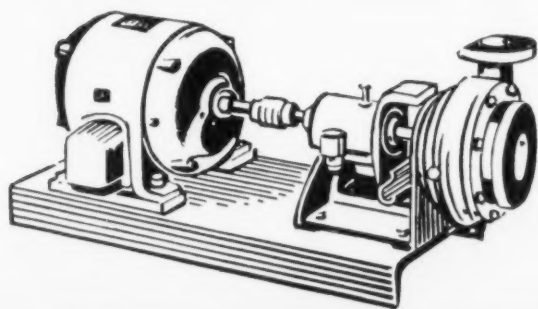


## TYPICAL MAINTENANCE JOB

OPERATION	TIME IN MINUTES	
	STD. METHOD	IMPACT METHOD
Remove and replace pump.....	60	54
Remove and replace casing and clean	34	14
Remove and replace shaft.....	4	4*
Remove and replace impeller.....	22	18
Remove and replace head bearing..	20	18
Remove and replace grease fitting..	8	8*
Remove and replace stuffing box and packing.....	24	22
Line up pump.....	46	46
Remove and replace bearing pedestal	14	12
Remove and replace bearing cap....	8	6
Remove and replace thrust bearing..	12	10
Remove and replace oil ring.....	4	4*
Remove and replace drain plug....	4	2
Remove and replace oil.....	6	6*
Line up pedestal.....	12	12*
Remove and replace suction flange and clean.....	44	32
Remove and replace discharge flange and clean.....	22	18
Remove and replace motor.....	26	20
Remove and replace coupling.....	30	24
Fabricate head gasket.....	8	8*
Ream and fit impeller.....	13	11
Clean pump base.....	5	3
Paint pump.....	18	18*
<b>TOTAL</b>	<b>444</b>	<b>352</b>

\*Impact wrench not used.

**Savings impact method: 92 min.**



## New Mechanics' Maintenance Kit does 80% of maintenance operations ... can pay for itself in a few jobs

Now, more than just a wrench for bolting, impact wrench is replacing hand and power tools for drilling, screwdriving, tapping and wire brushing. Remington engineers studied plant maintenance requirements and developed a *portable* kit that can be used on 80% of maintenance jobs. Kit contains 1/2" square-drive Remington air or electric impact wrench by Mall, plus accessories for new versatility and utility—Model MM-43, with Model PW-308P Air Impact Wrench; or Model MM-40, with Model W-120 Electric Impact Wrench. Table at left shows saving when kit is used on typical medium-sized-pump general overhaul.

See it demonstrated at the 1958 National Plant Maintenance & Engineering Show, Booth 562, International Amphitheatre, Chicago, January 27-30. Or mail coupon for free folder... there's no obligation.



Electric Impact Wrench  
UL and CSA approved

# Remington Mall®

**MALL TOOL COMPANY**... Division of Remington Arms Company, Inc., Bridgeport 2, Conn. In Canada: Mall Tool, Ltd., 36 Queen Elizabeth Blvd., Toronto, Ont.

**MALL TOOL COMPANY**

Division of Remington Arms Company, Inc., Bridgeport 2, Conn.

Please send complete information about more efficient maintenance methods using Mechanics' Maintenance Impact Wrench Kit.

NAME \_\_\_\_\_ POSITION \_\_\_\_\_

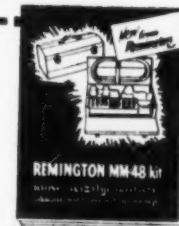
COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

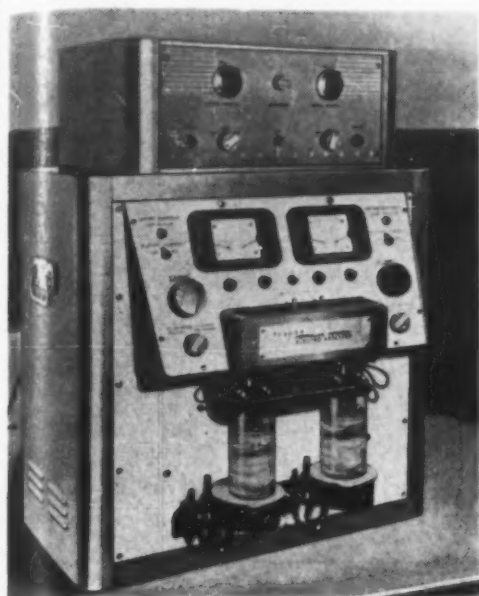
CITY \_\_\_\_\_ STATE \_\_\_\_\_

Purchasing Week

January 6, 1953







## Solution Analyzer

With Electronic Control System

The Model 40 Controlled-Potential Electro-Analyzer identifies metals in the same solution without going through complex chemical separations. The operator plates out major components using a high current. Less current permits analysis for trace metals. Model 40's ammeter has two ranges from 0 to 10, and 0 to 1 amp. By shifting to lower range, near end of run, operator tells how analysis is progressing. When current reaches zero, element is removed from solution.

Price: \$1,550. Immediate delivery.

Fisher Scientific Co., 717 Forbes St., Pittsburgh 19, Pa. (1/6/58)



## Safety Goggles

Made of Plastic

One-piece acetate lens on safety goggles offers impact resistance, is easily removed and replaced, and provides a wide field of vision. Manufactured with either green or clear frames, goggles are equipped with an easily adjustable elastic headband, are lightweight, rest on the face with a cushion-like effect, and fit comfortably over personal or safety Rx glasses. Pliovic S70, developed by Goodyear Tire & Rubber Co. is used in the goggle frames.

Price: \$1.70 to \$1.50 depending on quantity. Immediate delivery.

American Optical Co., Southbridge, Mass. (1/6/58)



## 4-Direction Fork Lift

For Narrow Aisles

Four-directional fork lift is designed to handle long loads in narrow aisles. Loads 14 ft. or longer can be handled easily in aisles as narrow as 7 ft. Versatility is obtained with special arrangement of load wheels. One load wheel is a free swiveling caster and the other is hydraulically adjustable by the operator for conventional travel, or it can be turned 90 deg. for side travel. Capacities range up to 4,000 lb. on outrigger trucks, and 3,000 lb. on the reach.

Price: \$5,100 to \$7,200 depending on model capacity. Delivery in 14 weeks.

Raymond Corp., Greene, N. Y. (1/6/58)



## Electronic Computer

Has Desk Size and Style

Monrobot IX can be programmed to meet the requirements of billing operations. Information is fed the machine on an electric typewriter with a conventional keyboard. Invoice totals can be summarized for daily, weekly, or monthly periods. Discounts, taxes, freight charges, and item counts may be remembered and produced when desired by the computer. Invoices may be electronically dated and consecutively numbered. Computer makes complete extensions and computations electronically in thousands of a second.

Price: \$10,000. Delivery in 12 months.

Monroe Calculating Machine Co., Orange, N. J. (1/6/58)



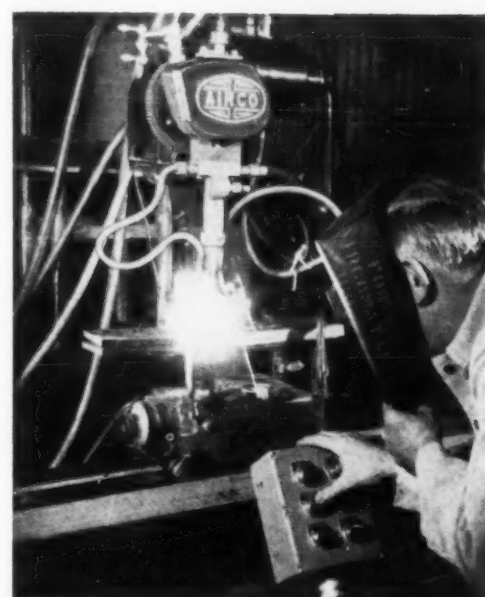
## High-Vacuum Pump

Produces Vacuum Electronically

The Evapor-Ion Pump, Type EI-2000A, creates a vacuum in the range of  $10^{-4}$  to  $10^{-8}$  mm. Hg. without the use of organic pump fluids. It pumps active gases by the gettering (burning) action of evaporated titanium wire, and pumps inert gases by ionizing and burying them under a layer of titanium. The model has a pumping speed of 1,900 liters per second for nitrogen, 1,000 liters for oxygen, and 3,000 liters for hydrogen.

Price: \$3,450. Immediate delivery.

Consolidated Electrodynamics Corp. 1775 Mt. Read Blvd. Rochester 3, N. Y. (1/6/58)



## Automatic Welder

For Heavy-Duty Use

Aircomatic Machine Head is specifically designed for heavy production applications of automatic machine welding. Machine will handle heavy welding wires. Aluminum wires of from  $3/64$  to  $1/8$  in. and hard wires from 0.045 to  $1/8$  in. can be fed at any rate up to 600 in. per min. Welding head can be rotated through 360 deg. for work in any position. Portable remote-control station provides convenient means for controlling operation.

Price: Head alone \$1,700. Accessories additional. Immediate delivery.

Air Reduction Sales Co., 150 E. 42nd St., New York 17, N. Y. (1/6/58)



## Water De-Ionizer

Processes 2 Gal. per Min.

Non-mechanical Deemajet Model DJ-128 connects to any faucet to produce instantly de-ionized water. The unit is pressure operated and has a flow rate of 120 gal. per hr. Crystalab DEEMINITE CD-11 resins are the filtering medium. They change color to indicate exhaustion and are easily replaced. Water flows upward through resin to prevent channeling. The Deemajet Model has grain removal capacity of approximately 1,600 grains as NaCl. Reservoir housing and working parts are made of polyethylene.

Price: \$39.50. Immediate delivery.

Crystal Research Laboratories, Inc., 29 Allyn St., Hartford 4, Conn. (1/6/58)



## Tramp Metal Detector

Fits Conveyor Systems

Twin Loop metal detector will signal presence of tramp metal on any conveyor system handling non-magnetic materials. Sensitive inspection loops will detect metal particles at conveyor speeds from 30 to 600 fpm. Control circuits can be set to trigger a warning light or other signal, or to actuate a reject mechanism that will divert contaminated products. Simple control cabinet weighs only 75 lb. Special sizes and shapes can be designed.

Price: About \$1,700 and up. Delivery 4 to 6 weeks.

Stearns Magnetic Products, 635 South 28th St., Milwaukee 46, Wis. (1/6/58)



## More New Products



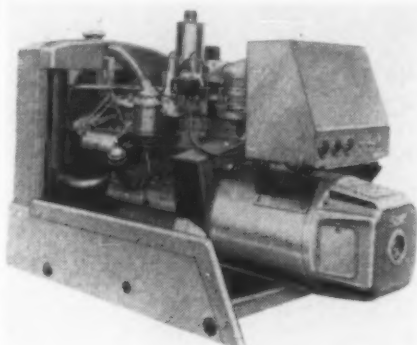
### Arc Welder Combination

Inert gas-shielded arc welder and Circulator water tank with motor-driven pump provides out-fit independent of water lines. Rack for inert-gas-cylinders on which torch, hose, and cables may be draped is provided.

Price: \$1,000 to \$1,500 depending on size and type. Immediate delivery—**Hobart Brothers Co., Hobart Square, Troy, Ohio.** (1/6/58)

### Electric Plants

HC series water-cooled, revolving-armature 10 and 15-kw. electric plants are completely self-contained. Gasoline engine-driven, the units provide full-

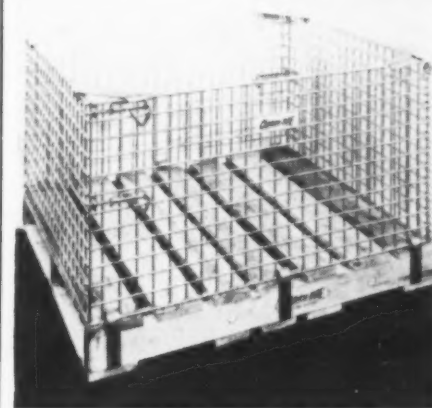


rated electric power for all types of standby emergency applications. Base prices: \$1,645 for 10-kw. model; \$1,845 for 15 kw. Delivery in 10 to 15 days—**D. W. Onan Sons, Inc., Minneapolis, Minn.** (1/6/58)

### Brakes and Clutches

Dyna-torQ units are electro-magnetically operated disk-type friction brakes and clutches. Electro-magnetic action engages two friction members. Units can be remotely controlled. Models 305 through 315 are presently available. Models 302, 303, and 304, with replaceable face brakes, stationary field, flange, and bearing mounted clutches, will be available in March. Prices: inside mounted brake from \$63 to \$208; clutch from \$105 to \$230, depending on model—**Eaton**

**Manufacturing Co., 739 E. 140th St., Cleveland 10, Ohio.** (1/6/58)



### Pallet-Container Unit

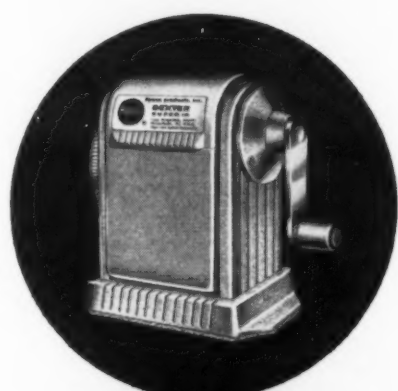
Wood pallet combined with folding steel wire mesh container is designed in a variety of sizes for loads up to 6,000 lb. They can be stacked when full or folded for storing and shipped empty.

Price: lots of 100 or more, size 40x48x24-in.—\$31.80 each, fob factory, unassembled; assembled—60¢ each additional. Delivery in 1 to 2 weeks—**Clinch-Tite Corp., 10 N. Main St., West Hartford, Conn.** (1/6/58)

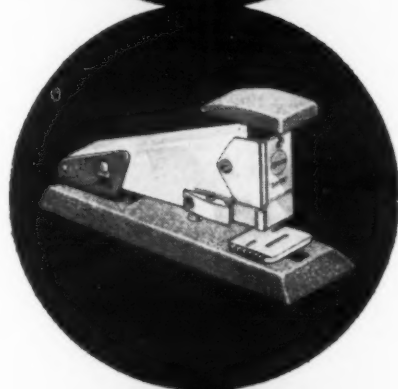
### Bucket Elevators

Three bucket sizes, 3x3; 6x4; and 8x5-in., are available in new line of bucket elevators. Vertical slide in the boot section minimizes overloading, jamming, and plugging. Adjustable slide plate controls angle of repose of load. Approximate prices: Model BE-33, \$1,200 plus \$24 per ft. of height to discharge; BE64, \$2,000 plus \$30 per ft.; BE85, \$2,700 plus \$35 per ft. Delivery 30 to 45 days—**Carpeo Manufacturing, Inc., Jacksonville 6, Fla.** (1/6/58)

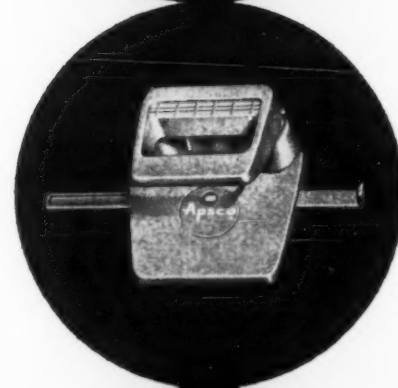
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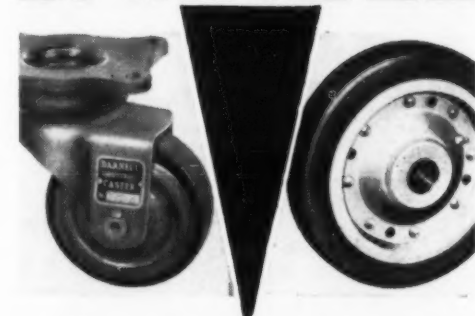
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## Jones & Laughlin Adopts Basic Oxygen Process

Aliquippa, Pa.—The future expansion of the nation's steel industry should be greatly aided by a new basic oxygen process recently adopted by Jones & Laughlin Steel Corp.

The fourth largest producer in the country, J. & L. on Dec. 10 became the first major steel company to use this new method.

Avery C. Adams, president and chief executive officer, said he doubted it will "entirely replace the open hearth method. But certainly, at least at this time, it is the most valuable adjunct."

Adams said the basic oxygen process, essentially a European development, not only produces high quality steel, but the facilities can be constructed at a much lower cost than for traditional steel-making operations.

## Bakelite Pessimistic On Polyesters, Bows Out

New York—The Bakelite division of the Union Carbide Corp. has decided growth of the reinforced plastics industry lies largely outside polyesters.

The result has been Bakelite's announcement that, effective Jan. 1, it was withdrawing from the manufacture and sale of polyester resins.

J. D. Benedito, vice president for sales, said the company's optimistic attitude toward the reinforced plastics field "is exemplified by our large investment in this area."

"We will continue to develop,

manufacture and promote epoxy and phenolic resins for use in reinforced plastics," he added, "as evidenced by our recently announced plans for a new epoxy resin plant at Marietta, Ohio."

Trade sources estimate that some 30 producers will sell as much as 100 million lb. of polyester resins this year.

## Scott Enters New Field

Chester, Pa.—Scott Paper Co. announced it will enter the chemical field with a new type of urethane foam for insulation, cushioning, filtration, and other industrial uses. The new foam

can be produced in a wide range of pore sizes, densities, and degrees of flexibility or rigidity, to meet a wide variety of product requirements.

## Crucible Buys Rem-Cru

Pittsburgh—Crucible Steel Co. has acquired Rem-Cru Titanium, Inc., from the Remington Arms Co. The transaction involved an exchange of 150,000 shares of newly issued Crucible stock for 5,000 shares of stock and \$2.8-million in notes of Rem-Cru. Rem-Cru will be integrated with Crucible to effect important economies in operation.

## 1,594 Firms Serve RCA In Philadelphia-Camden

Camden, N. J.—A recent survey by Radio Corp. of America revealed that 1,594 firms in the Philadelphia and Camden area, employing more than 1.2-million workers, are suppliers to RCA's varied electronics business.

In 1956, some \$400-million was spent by RCA with these suppliers of materials and services. RCA does business with some of the largest firms in America, but small vendors far outnumber large ones. Small businesses, employing fewer than 500 persons, comprise 296 of

Camden area's 338 suppliers while in Pennsylvania the spread is 1,004 small suppliers to 252 large suppliers.

## Atlas Will Consolidate

Wilmington, Del. — Atlas Powder Co. plans to consolidate its Parke Thompson ordnance section of St. Louis, Mo., with the military detonator section at its Reynolds plant near Tamaqua, Pa. The consolidation will enable the firm to concentrate and improve its military research work on primers and detonators at Tamaqua.



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## Jorgensen Co. to Move From Houston to Dallas

Houston, Tex.—Earle M. Jorgensen Co., a national distributor of steel and aluminum, will transfer its mid-continent headquarters from Houston to Dallas next June.

Delmer Q. Bowman, mid-continent manager, said Dallas is more centrally located since the company has plants in Dallas and Tulsa, and is planning to open one in Denver soon. Another reason for the planned move, Bowman said, was that air service from Houston to the West Coast and Tulsa is inadequate for the company's needs.

## Sel-Rex Paper Explains CuSol Plating Process

Nutley, N. J.—Sel-Rex Corp. has prepared a technical paper describing a new acid copper plating process, CuSol. The CuSol process, said to permit faster, smoother, more ductile deposits than any known method, consists of two simple addition agents which may be used to "convert" existing sulphate or fluoroborate copper plating baths as well as to make-up original baths.

The new process is expected to be of special interest to printed circuit manufacturers in that the process' acid base will not affect the laminate boards.

## Ward LaFrance Corp. Plans Sales Promotion

Elmira, N. Y.—Ward LaFrance Truck Corp. will undertake sales, promotion, and manufacture of Gannon heating and ventilating units. The Elmira firm has been building the Gannon units since last spring. The units are for public and semi-public buildings with large areas.

The agreement will provide considerable expansion of sales and promotion facilities as well as production equipment, and will broaden the diversification program of Ward-LaFrance.

## Adex Mfg. Co. Announces Morningstar Affiliation

Baltimore, Md.—Adex Mfg. Co. has announced its affiliation with Morningstar, Nicol, Inc. Adex operations will be joined with Morningstar's Paisley Products, Inc., division, manufacturer of polyvinyl acetate emulsions and copolymers in the adhesive industry.

Morningstar, Nicol, manufactures and imports starch products and water soluble gums for the production of raw materials used in textile, chemical, paper, food, and adhesives industries.

## Canadian Firm Buys Long Equipment Plant

Detroit—Buildings, machinery, and equipment of the Long Manufacturing Division, Borg-Warner Corp.'s Kercheval Ave. gear plant, have been acquired by Massey-Harris-Ferguson Ltd., Toronto, Can., farm implement manufacturer.

Massey plans to retool the plant to produce parts and components for a new series of trac-

tors which will be assembled at Massey's assembly plant at Southfield Rd., Detroit.

## Du Pont Adds Chemical To Plating Process

Wilmington, Del.—Du Pont's Electrochemicals Department has established sodium-copper cyanide double salt as a regular product. The chemical is used in copper plating solutions formulated with sodium cyanide.

Use of the salt facilitates make-up or replenishment of the plating solution by eliminating steps required to dissolve copper cyanide.

## Texaco Buys Computer To Automate Refining

New York—The Texas Co.'s refining department has purchased the first digital computer for fully automatic control of a petroleum refining process. Developed and manufactured by The Ramo-Wooldridge Corp., Los Angeles, the RW-300 computer will control the petroleum refining process on a polymerization unit at Texaco's Port Arthur, Tex., refinery.

The transistorized unit, no larger than an office desk, weighs less than 400 lb. It can add numbers at the rate of 1,000 per sec-

ond, do 350 multiplications per second, and has a 7,936-word memory.

## Goodrich to Construct Distribution Facilities

Allen Park, Mich.—The B. F. Goodrich Co. plans to construct a modern distribution center here on a 5-acre track at Oakwood Blvd. and Edsel Ford Expressway.

Work on the structure, scheduled to begin this month, is expected to be completed by July. The building will contain 83,000 sq. ft. of floor space. Of this,

70,300 sq. ft. will be devoted to warehousing and the remaining space to offices, located on the second floor.

The Detroit, Toledo & Ironton R.R. will serve the warehouse.

## Stanley Works to Expand

Hamilton, Ont.—The Stanley Works of Canada, Ltd., has announced a million dollar expansion program to provide for the manufacture of two new product lines—steel strapping for the shipping and packing industry, and electric tools. Plans call for construction of a plant of 20,000 sq. ft. floor space.

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## Calumet & Hecla Moves Tube Unit to Detroit

Allen Park, Mich.—The first of four major expansion projects undertaken by Calumet & Hecla, Inc.'s Wolverine Tube Division from Detroit has been completed. Divisional Headquarters were moved to the newly constructed administrative center at 17,200 Southfield Rd.

The three other projects not yet completed include expansion of fabricating and manufacturing facilities at Decatur, Ala.; \$4-million modernization of the 50-yr old plant in Detroit, including installation of tube mill equipment; and construction of a \$7-million plant in London, Ont.

## Du Pont To Ship Acid In 55-Gal. Steel Drums

Wilmington, Del.—Du Pont has adopted a lined, 55-gal. steel drum as a shipping container for hydroxyacetic acid. A polyethylene bung closure with a small rubber relief valve vents any possible gas.

The new shipping unit holds 550 lb. of acid—50 lb. more than the wooden barrel it replaces. Total filled weight of each container is the same. New unit can be handled by a conventional fork-lift truck, can be stacked, and takes up less warehouse space than the wooden barrel.

## Pacific Semiconductors Enters Jobbing Field

Culver City, Calif.—Pacific Semiconductors, Inc., has entered the jobber outlet field in a sales agreement made with Electronic Supply Corp., Pasadena.

Distributorship agreement covers silicon general purpose diodes, silicon high conductance diodes, silicon diffusion computer diodes, silicon rectifiers, and germanium diodes manufactured by PSI as well as the company's recently announced Varicap voltage-variable capacitors.

## Warehouse, Sales Office Opened by Scovill Co.

Cleveland, Ohio—Scovill Manufacturing Co. has opened a Cleveland-Pittsburgh regional sales office and warehouse at Cleveland Manufacturing Sites, 4635 W. 160th St.

The new office will have mainline rail facilities on the New York Central. It is located near superhighways.

Warehouse covers 20,000 sq. ft. and is specially equipped with latest mechanical devices for handling fast shipments of brass and aluminum mill products. Another 3,000 sq. ft. of space is provided for offices.

## Formica Adds Office

Cincinnati, Ohio — Formica Corp., subsidiary of American Cyanamid, has created a new regional office resulting in the reassignment of three sales executives. The new North Central regional office will be located in the American Cyanamid consolidated offices, 2505 N. Kimball Ave., Chicago. Prior to the

change, Formica supervised its national distribution from four regional offices, in White Plains, N. Y.; Cincinnati; Atlanta; and San Francisco.

## Texas-Eastman to Add Polyethylene Facilities

Longview, Texas—The Texas-Eastman division of the Kodak Co. will be expanded for the third time in four years to make available a new medium density polyethylene.

The capacity of the plant, which began operation here in October, 1954, will be increased more than

50% to 85 million lb. by the end of 1958.

The new material is needed, a company official said, because it has greater stiffness, higher heat resistance and greater resistance to abrasion than low-density polyethylene.

## Plywood Plant Sold

Portland, Ore.—Aberdeen Plywood Corp. stockholders have okayed sale of their Aberdeen, Wash., plywood plant to the newly organized Aberdeen Plywood & Veneers, Inc. production may be resumed before March 1 at the Aberdeen mill, closed because of a lagging market.

## Carpenter Steel Studies Subsidiary Investment

Bridgeport, Conn.—Carpenter Steel Co., Reading, Pa., has announced that it may invest up to \$6.5 million in its newly acquired subsidiary, Carpenter Steel of New England, Inc. Exact amount to be spent on the former Northeastern Steel mill will depend on market potential, customer requirements, and the cost of local services and supplies, and many other factors now under study.

Carpenter will have to install additional machinery including in-process inspection equipment. The subsidiary will employ around 200 when the plant is

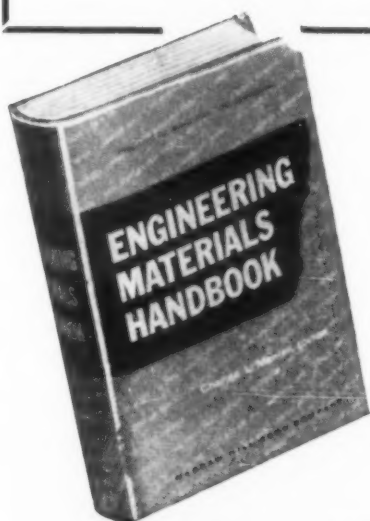
operating at a minimum level. At full capacity employment may range from 500 to 800.

## Standard Steel Creates Aircraft-Missiles Branch

Jenkintown, Pa. — Standard Pressed Steel Co. has created an Aircraft and Missiles Division, an extension of its Aircraft Products Division.

The move reflects increasing business in precision, high-strength, and high-temperature asterners and related hardware for missile-airframe, rocket-engine, and guidance-system applications.

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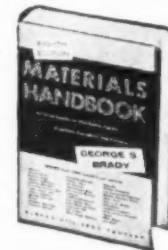
Edited by Charles L. Mantell  
Consulting Engineer; Chairman, Department of Chemical Engineering, Newark College of Engineering

Gives answers by a number of specialists to both routine and specialized questions regarding the choice of engineering materials. Considers materials from the viewpoint and engineering structures, machinery, and equipment, and includes technical tables, design information, structural characteristics, etc. Emphasis is placed on the fabricated forms of materials, their physical and mechanical properties, adaptations, advantages, limitations, comparison with each other, wear resistance, and other facts of design importance. 1906 pages, 648 illustrations. \$21.50

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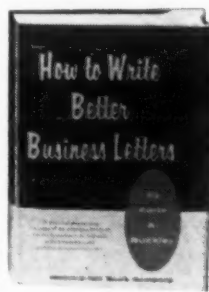


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## Bell Aircraft Plans \$2.5-million Expansion

**Buffalo, N. Y.**—Bell Aircraft Corp. will expand its Buffalo plant. The \$2.5-million expansion program calls for construction of an addition, to increase total floor area to more than 1.5-million sq. ft.

Bell's president, Leston P. Faneuf, said the expansion will give Bell "one of the most completely integrated facilities in the nation for development of guided missiles and airplanes, and for work in the fields of electronics and rockets."

## Birdsboro Appoints 3 Agencies as Sellers

**Birdsboro, Pa.**—Birdsboro Steel Foundry & Machine Co. has appointed three agencies to sell its hydraulic presses and related equipment.

McBeth Machinery Co., Pittsburgh, has been franchised for Kentucky, most of Ohio, and portions of Indiana and Pennsylvania. Briggs-Weaver Machinery Co.,

Dallas, will serve Texas and New Mexico. Landes, Zachary & Peterson Co., Denver, has been assigned Montana, Idaho, Wyoming, Nevada, Utah, Colorado, and Nebraska.

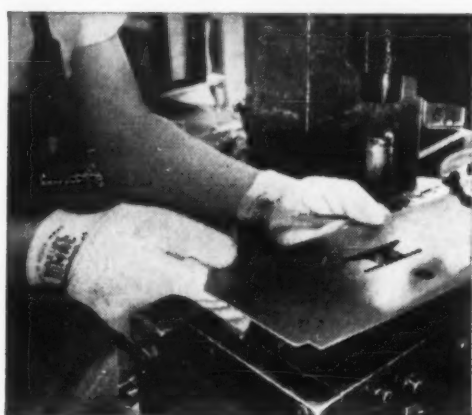
## Bendix Will Sell Tape To Control Automation

**Detroit, Mich.**—Bendix Aviation Corp. has established a new controls section to engineer, manufacture, and sell tape-controlled production systems, including equipment that will use blueprint measurements to produce a finished part.

The new section will offer "flexible automation" to U. S. industry, from large companies to small tool and die shops, according to Malcolm P. Ferguson, president.

Bendix will design and build completely automated systems, including associated electronic equipment and drives, to control machine tools in all cutting functions. Tape preparation and other engineering services will also be supplied.

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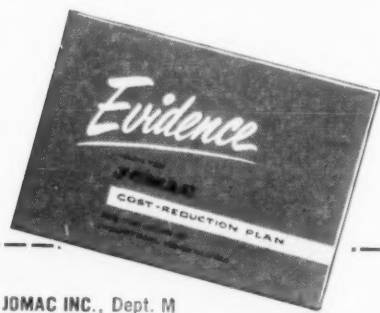
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## Meetings You May Want to Attend

### JANUARY

**Society of Automotive Engineers**—Annual Meeting, Sheraton-Cadillac and Statler Hotels, Detroit, Jan. 13-17.

**National Industrial Conference Board**—General session for all associates, Hotel Commodore, New York, Jan. 16-17.

**Institute of Scrap Iron and Steel**—Annual Meeting, Eden Roc, Fontainebleau, and Deauville Hotels, Miami Beach, Fla., Jan. 19-22.

**American Road Builders' Association**—Annual Meeting, Sheraton-Park Hotel, Washington, Jan. 20-23.

**Association of Steel Distributors**—Convention, Algiers Hotel, Miami Beach, Fla., Jan. 26-Feb. 2.

**Industrial Heating Equipment Association**—Annual Meeting, Penn-Sheraton Hotel, Pittsburgh, Jan. 27-28.

**American Society of Heating and Air-Conditioning Engineers**—64th Annual Meeting, Penn-Sheraton Hotel, Pittsburgh, Jan. 27-29.

**Plant Maintenance and Engineering Show and Conference**—International Amphitheatre, Chicago, Jan. 27-30.

**Steel Plate Fabricators Association**—Annual Meeting, Roosevelt Hotel, New Orleans, Jan. 30-31.

### FEBRUARY

**Instrument Society of America**—National Conference on Progress and Trends in Chemical and Petroleum Instrumentation, Wilmington, Del., Feb. 3-4.

**Public Utility Buyers Group, NAPA**—Mid-Winter Meeting, Sheraton Hotel, Philadelphia, Feb. 3-5.

**American Institute of Electrical Engineers**—Winter General Meeting, Statler and Sheraton-McAlpin Hotels, New York, Feb. 3-7.

**National Tool and Die Manufacturers Association**—Winter Meeting, Ambassador Hotel, Los Angeles, Feb. 5-8.

**Purchasing Agents Association of Alabama**—Annual Seller-Buyer Dinner, Tutwiler Hotel, Birmingham, Ala., Feb. 13.

**American Institute of Mining, Metallurgical and Petroleum Engineers**—Annual Meeting, Statler and Sheraton-McAlpin Hotels, New York, Feb. 16-20.

**Annual - Chicago World Trade Conference**—Chicago, Feb. 27-28.

### MARCH

**American Machine Tool Distributors Association**

—Spring Meeting, Hotel Roosevelt, New Orleans, March 10-11.

**Nuclear Congress**—Co-sponsored by American Society of Mechanical Engineers and Engineers Joint Council, International Amphitheatre, Chicago, March 16-21.

**Steel Founders' Society of America**—Annual Meeting, Drake Hotel, Chicago, March 17-18.

**National Association of Corrosion Engineers**—Annual Conference and Exhibition, Municipal Auditorium, San Francisco, March 17-21.

### APRIL

**American Welding Society**—Annual Meeting and 6th Welding Show, Statler Hotel, St. Louis, April 14-18.

### MAY

**National Welding Supply Association**—14th Annual Convention, The Americana, Miami Beach, Fla., May 5-7.

**American Public Power Association**—Annual Meeting, New Orleans, May 6-8.

**National Association of Purchasing Agents**—Annual Convention, Conrad Hilton Hotel, Chicago, May 11-14.

**American Society for Metals**—Southwestern Metal Exposition and Congress, State Fair Park, Dallas, May 12-16.

**American Foundrymen's Society**—62nd Annual Convention and Exhibition, Public Auditorium, Cleveland, May 19-23.

**American Iron & Steel Institute**—Annual Meeting, Waldorf-Astoria Hotel, New York, May 21-22.

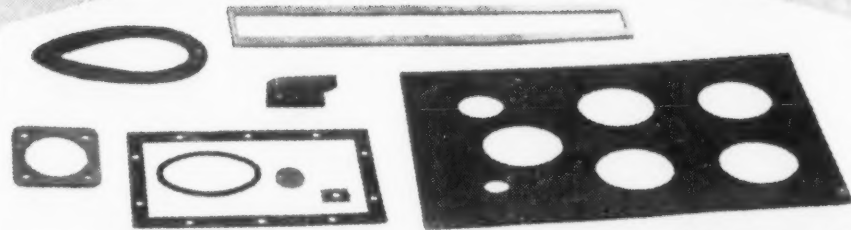
**Triple Industrial Supply Convention**—Waldorf-Astoria Hotel, New York, May 26-28.

### List Your Meetings

Associations, societies, and committees interested in calling the attention of readers of **Purchasing Week** to their meetings are welcome to use this column. The gathering should be one of interest to purchasing agents. There is no charge.

Send announcements to: Meetings Calendar, Purchasing Week, 330 West 42nd Street, New York 36, N. Y.

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## Directors Keep Close Watch on Material Stocks; Philosophy Borrowed from Automobile Industry

## Operations Unchanged

**Framingham Center, Mass.**—Framingham Truck Sales & Service Corp. has been added to Kenworth Motor Truck Co.'s distributor organization.

Hupp Corp. announced last month it was able to prepay the remaining \$2-million outstanding on its original \$5.3-million loan, obtained in 1956, through the savings accumulated by its inventory control policy.

Production facilities have been expanded at Marietta, Ohio, and Hawthorne, Calif. for the newly formed division. Operation will

Using the new catalysts, developed in National Lead's research laboratories, the companies expect to turn out more economical plastics and fibers with outstanding physical properties.

Philadelphia Chain Block will become a division of Industrial, and operations will be moved into new facilities at Doylestown, Pa.

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## Standard-Vacuum Plans Refinery on Bataan

**Manila** — Standard-Vacuum Oil Co. plans to build a \$35.5-million refinery on Bataan peninsula. It will be the largest single private investment in the Philippine Islands.

The company was recently granted a construction permit from the Philippine Government. The plant, to be completed in 1961, will have a capacity of at least 25,000 bbl a day.

## Kaiser Gives Franchise For Aluminum Domes

**Philadelphia, Pa.** — Kaiser Aluminum & Chemical Sales, Inc., Chicago, has awarded a franchise to fabricate and erect stressed-skin aluminum dome buildings to Kulzer Roofing Co.

The unusual buildings, using aluminum panels and struts, eliminate the need for pillars and interior supports. They combine advantages of relatively low cost, speed of erection, high strength, and extra space.

## Pittsburgh Glass Plans \$20-million Fiber Plant

**Shelby, N. C.** — Pittsburgh Plate Glass Co. announced it will build a \$20-million fiber glass plant in Cleveland County. Formal ground-breaking ceremonies will be held some time in January.

Plant is expected to employ about 1,000. It will produce all known types of continuous yarns now being manufactured in the industry. The yarns are used to produce both decorative and industrial fabrics and for reinforcing paper and plastic products.

## Marvel-Schebler Sets Carburetor Expansion

**Decatur, Ill.** — Carburetor Division of Marvel-Schebler Products Division, Borg-Warner Corp., has announced the expansion of the division's operations in the field of propane carburetor equipment.

The expansion of Marvel's propane carburetor business will be attained partly through the acquisition of designs and manufacturing equipment of Century Gas & Equipment Co., Paramount, Calif.

## Quan-Tech Lab Formed

**Morristown, N. J.** — A new company, Quan-Tech Laboratories, has been formed to produce a diversified line of electronic instruments and measuring equipment for laboratory and industrial use.

## Acro Establishes Sales Organization

**Columbus, Ohio** — A national sales organization has been established by Acro Division, Robertshaw-Fulton Controls Co., to promote distribution of precision switches through electronic and electrical distributors.

The company has named 150 authorized distributors throughout the United States. A list of distributors is available from Acro Division, Robertshaw-Fulton Controls Co., Columbus 16, Ohio.

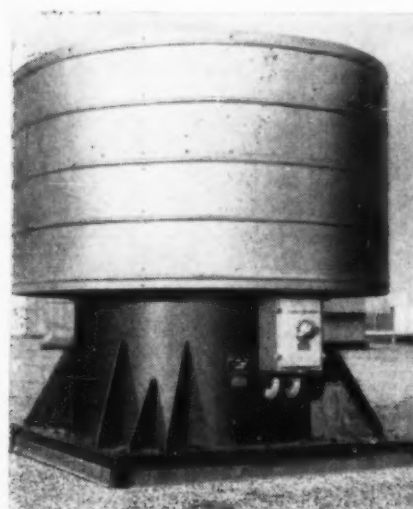
## Minnesota Mining Co. Unites Distributors

**St. Paul, Minn.** — Minnesota Mining & Manufacturing Co.'s tape and ribbon divisions and their distributor representatives have formed a Distributor Coun-

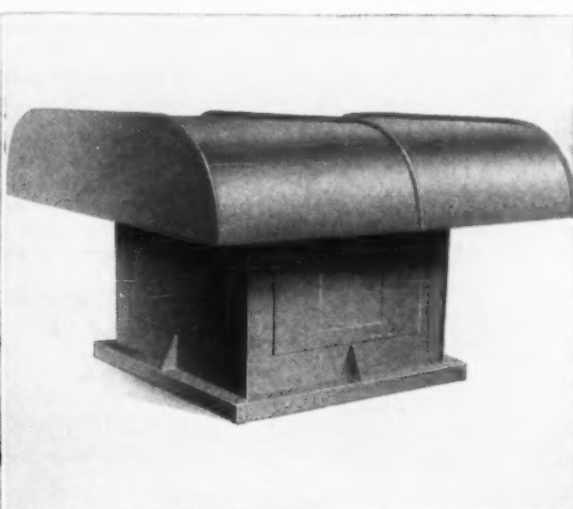
cil. The purpose is to exchange ideas which will result in the most effective selling of 3 M's products.

R. R. Moser, executive vice president of the Carpenter Paper Co., Omaha, was chosen chairman of the council. In discussing the organization, he said "it enables the manufacturer to understand better the problems of his distributors, and the distributors to understand better the problems of the manufacturer."

A 22,000-sq. ft. engineering building has been opened by General Precision Laboratory, Inc., at Pleasantville, N. Y. It provides increased facilities for engineers and technical personnel engaged in research, analysis, design, and instrumentation of airborne navigation and missile guidance systems.



"Buffalo" Style "V" Sky-Vent



"Buffalo" Style "H" Sky-Vent

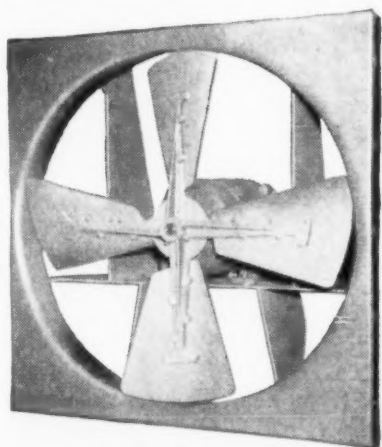
## "BUFFALO" PACKAGE VENTILATION

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## PURCHASING WEEK

Vol. 1, No. 1

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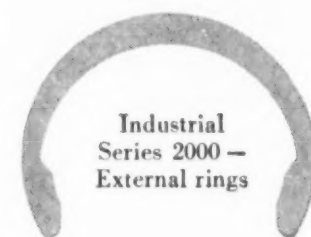
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# Production Begins After Dec. 6 Fire

**Tonawanda, N. Y.**—The manufacturing plant of Welding & Steel Fabrication Co., Inc., which was swept by fire Dec. 6, is now in partial production, with 100% production scheduled sometime this month, according to John F. Youngers, vice president.

Youngers said the firm has been able to maintain customers' delivery schedules with "minor extensions of original delivery requirements."

Delays in production have been held to a minimum as a result of concentrated effort on the part of employees and assistance from friends and associates, Youngers said.

Temporary offices were placed at the firm's disposal by Enos & Sanderson Co., industrial supplies, enabling the company to start reorganizing immediately after the fire. New administrative and engineering offices have been located at 36 N. Niagara St., Tonawanda.

## Manufacturers' Briefs

**Aluminum Co. of America** has installed a new research facility for fundamental study of the die casting process. The laboratory, located at Alcoa's Chicago works, will be equipped for full-scale pilot plant operations. Work performed by the Chicago section will be of particular value to Alcoa's Chicago and Garwood, N. J., plants, which are devoted solely to the production of die castings.

**Wales-Strippit Co.**, manufacturers of tooling and machines for punching and notching, has opened Eastern Division offices at 537 E. Delavan Ave. for handling all sales and service to metalworking, electronics and fabricating plants on the Eastern seaboard. William A. Schrader, formerly located at the firm's Akron, N. Y., plant, will head the new office in Buffalo, N. Y.

**C. W. Marwedel**, northern California industrial supply company, has established a branch sales office and warehouse in San Jose, Calif. The branch will handle more than 100 brands of industrial supplies, including tools, metals, abrasives, and power transmission equipment.

**Robert B. Porter Co.** has been appointed distributor of Parker synthetic rubber o-ring seals, manufactured by Parker-Hannifin Corp., Cleveland, Ohio. The Porter firm now carries extensive o-ring stocks for prompt servicing of requirements in the northern California area. Company is located at Hayward, Calif.

**American Blower Division** of American-Standard has opened a branch office in Amarillo, Tex. to provide sales and engineering to users of air handling, heating and air conditioning equipment, fluid drive power transmission units, and refrigerating machines. F. L. Matthews, formerly with the Tulsa office sales engineering staff, will head the branch.

**Minneapolis-Honeywell Regulator Co.** has completed the en-

largement of production and engineering facilities of its Heiland Division. An additional 12,000 sq. ft. has been added to the plant area—a 25% increase—to expand production of oscillographic instruments.

**A wholly owned subsidiary**, known as Armstrong Contracting & Supply Corp., is being formed by Armstrong Cork Co. to handle all contracting operations now carried on by its Insulation Division. The new company, to be incorporated in Delaware, will have its headquarters in Lancaster, Pa.

**The Pump Department of Ampco Metal, Inc.**, Milwaukee, Wis., has named the following compa-

nies as distributors of its centrifugal pumps: Stanley Berg, Inc., 1231 Banksville Rd., Pittsburgh 16; Grace Engineering Sales, Inc., 1110 W. Wisconsin Ave., Appleton, Wis.; and Ohio Pump Co., 764 S. Broadway, Salem, Ohio. These distributors have stocks of Ampco's complete line of corrosion-resistant pumps as well as spare parts.

**The formation of a company**, at Danbury, Conn., Data-Control Systems Inc., has been announced by Dr. Robert J. Jeffries, president. The company will develop, manufacture, and sell instrumentation equipment, with initial emphasis on advanced forms of radio telemetry systems for aircraft and missiles.

**Motor Wheel Corp.** of Lansing, Mich., has opened a new plant at Newark, Del. for manufacturing automotive wheels, hubs and drums, and tubular steel parts. The 85,000-sq. ft. plant is the only one manufacturing wheel assemblies and tubular steel automotive parts on the East Coast. Because of its proximity to assembly operations, the finished parts can be shipped directly by truck in most cases.

**Wetzel Tool Sales Co.** of Springfield, Mass., has been appointed stocking distributor for Detroit Tap & Tool Co. products in Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island. In the Boston area, Wetzel's sales representative is Robert

Lufkin, 386 Eastern Ave., Lynn, Mass.

**Cashman & Norton** of Box 124, Broomall, Pa., has been appointed by Gibson Electric Co., Delmont, Pa., to represent Gibson in eastern Pennsylvania, Maryland, southern New Jersey, Delaware, and the District of Columbia. Gibson manufactures electrical contacts for all types of electrical and electronic devices.

**Brown & Sharpe Mfg. Co.** of Providence, R. I., manufacturer of machine tools and hydraulic and industrial products, has moved its mid-atlantic branch office from 20 Vesey St., New York, to 1275 Stuyvesant Ave., Union, N. J.

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3	500	G.E.	OISC	1	13200/11880x
3	500	West.	SL	1	13800x2400/4160Y
3	500	Wagner	OISC	1	6900/11950Y x 460
3	225	West.	Hipersil	3	2400x220/440
100	25	G.E.	Dry	3	480x120/208

**SLIP RING MOTORS—3 ph. 60 cy.**

Qu.	HP.	Make	Type	Volts	Speed
2	4000	West.	CW	6600	93
1	1800	West.	CW	2300	252
3	1500	G.E.	MT-16	4000/6600	443
4	1000	G.E.	M-57S	2300	1185
1	300	West.	CW	2300	1170

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1 new	4000	West.	4160/2400V	1200
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**Solid and open steel flooring**—five different types of steel for floors, stairs, steps, ramps, catwalks, platforms and similar applications are described in 8-page illustrated Bulletin 50-9. Joseph T. Ryerson & Son, Inc., Box 8000-A, Chicago 80, Ill.

**Adhesive-bonding machines** for assembling parts of various materials by adhesive bonding are described in 6-page Bulletin No. CB-1. Booklet covers machines' construction, sizes, and operating characteristics. Modern Industrial Engineering Co., 14230 Birchwood Ave., Detroit 38, Mich.

**V-belt drive manual** contains tables which have been expanded to include more pre-engineered drives. Engineering drawings and exploded views illustrate technical sections of the manual. Indexed for convenient reference, the 108-page Bulletin A661 is available from Dodge Mfg. Corp., Mishawaka, Ind.

**Nuclear energy applications of stainless steel** and special-purpose alloy tubing and pipe are contained in 4-page bulletin from Alloy Tube Division, Carpenter Steel Co., Union, N. J.

**Packaged dc. adjustable speed drives** are described in 16-page illustrated Bulletin GEA-6643. Included is a power unit slide rule for calculating case dimensions, horsepower, speed range, power unit weight, and motor frame size. General Electric Co., Schenectady 5, N. Y.

**Industrial electric heating units** and a complete line of compatible heater control equipment are featured in catalog 27-620 offered by Westinghouse Electric Corp., P. O. Box 2099, Pittsburgh 30, Pa.

**All-purpose electrical controls**, known as Versatrols and suitable for use with virtually any detectable variable, are described in 12-page Bulletin 106, issued by Assembly Products, Inc., 75 Wilson Mills Road, Chesterland, Ohio.

**Installation of Leiman Rotary Air Pumps**, used for vacuum and pressure operations, is shown in 24-page book published by Leiman Bros., Inc., 102 Christie St., Newark 5, N. J.

**Red Ring gear production equipment** and broaching tools are illustrated and described in a 24-page catalog (AP57-11) released by National Broach & Machine Co., 5600 St. Jean Ave., Detroit 13, Mich.

**Industrial heater** 26-page product bulletin describes the construction, application, and performance features of the Herman Nelson Industrial Heater. Bulletin No. 750A is published by American Air Filter Co., Inc., 215 Central Ave., Louisville 8, Ky.

**Ultra-strength structural steels** are described in a new 16-page booklet published by Climax Molybdenum Co., 500 Fifth Avenue, New York 36, N. Y.

**Comparison chart** serves as buying guide for purchases of elec-

tric fork trucks. Users can survey simultaneously the operating, design, and maintenance characteristics of three different trucks with chart offered by Lewis-Shepard Products, Inc., 125 Walnut St., Watertown 72, Mass.

**Huckbolt fasteners, blind rivets, and driving tools** for the aircraft industry are described and illustrated in a 12-page two-color catalog published by Huck Manufacturing Co., 2480 Bellevue Ave., Detroit 7, Mich.

**Formica laminated plastics** and how they are used for electrical insulation are described in "It's an Electrical World" published by Formica Corp., 4575 Spring Grove Ave., Cincinnati 32, Ohio.

**Power belt and gravity conveyor users** have a step-by-step guide in "How to Plan and Install Your Own Conveying System," new do-it-yourself work-book available from A. B. Farquhar Division, The Oliver Corp., Conveyor Dept., York, Pa.

**Measurement and control of level** in industrial processes is described in detail in 16-page booklet "Level and Control Systems" published by Instrument Division, Robertshaw-Fulton Controls Co., 2920 North Fourth St., Philadelphia 33, Pa.

**Packaging economy** is stressed in "How to Ship More Economically in Corrugated Boxes," the 24-page packaging booklet published by Hinde & Dauch, Sandusky, Ohio.

**Hydraulics and lubrication manual** for automated special machine tools, illustrated with photos, tables, line drawings, and two-color hydraulic circuits, is now available from Snyder Tool & Engineering Co., 3400 E. Lafayette Ave., Detroit 7, Mich.

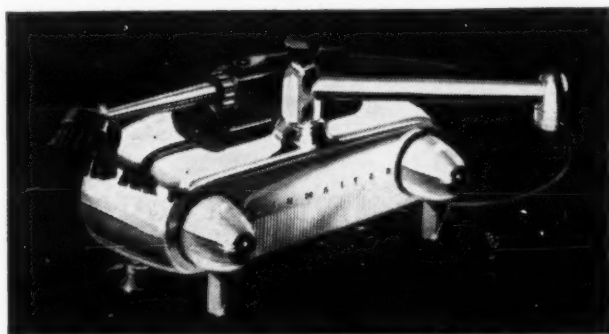
**All-new high-production presses** are presented in an illustrated, 24-page bulletin obtained by writing Niagara Machine & Tool Works, 683 Northland Ave., Buffalo 11, N. Y.

## FACT: Copper and Brass . . . today's best metal bargains!



Competitive analysis of metal costs in manufacturing "Dishmaster" dish washer device switched manufacturer back to brighter, more attractive brass and away from plated steel and other substitutes.

## PROOF: Manville Manufacturing switches back to Brass for a better product at lower cost . . . drops steel!



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The "Dishmaster" made by Manville Manufacturing Co. of Pontiac, Michigan, includes many small parts again being made of brass. Direct comparison of costs with cadmium-plated steel showed that brass was once again the bargain buy in metal. For example, cost of the retaining ring shown here was reduced \$11.50 per thousand when the manufacturer switched back to brass! Comparable component savings are being made all down the line! (Based on October '57 costs of brass vs. steel.)

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## P.A.'s Have Opportunity in '58

(Continued from page one)

necessary to cope successfully with the problems for management which clearly lie right ahead. **The most important contribution of the purchasing agent will be in helping management to cut costs, and thus relieve what could otherwise be a disastrous squeeze on profit margins.** Right now it seems to be a fact that management is caught in a squeeze between rising costs and hard-to-raise prices. New wage agreements are steadily pushing up labor costs. New plant and equipment is still too new, in many cases, to reach the efficiency that will eventually bring down labor costs. Meanwhile, the increased depreciation charges and heavy "break-in" costs of the new plant are adding to the over-all cost picture. Because plant capacity is more than adequate for demand in most lines and competition for new business is intense, management is finding it difficult—if not impossible—to raise prices and make the increases stick. The only way out of this squeeze is to find new ways to cut costs.

### P.A.'s Work Important

That's where P.A.'s become mighty important in the economic picture. It is possible to cut costs by insisting on close pricing and high quality from every vendor, by purchasing only what's needed—not what may be wasted. Good timing by purchasing agents who follow their individual markets closely may result in considerable savings to their particular companies. But aside from good timing—or good luck—in judging the swings of volatile markets for raw materials, the P.A. can exert a steady cost-cutting influence by making sure that his over-all program aims to get the cost of purchased materials down and the quality up.

### Other Challenges Noted

In addition to his prime function—both in management and in the economy—of holding down costs, the purchasing agent will face other challenges in gauging the trend of business in 1958.

**It'll be a year of rapid ups and downs in production and prices.** Right now industrial production is sliding rapidly. It has dropped 8 points on the Federal Reserve Index since late summer—more than anyone expected and more than the common sense of the business situation really calls for. As in 1949 and 1954, one of the main reasons for the slide in business is inventory cutting. And as in these earlier years, inventory policy has been influenced as much by hunch, guess, and panic as by good reasoning.

In a few areas there is real evidence of panicky action by businessmen who are holding off all buying. So we are entitled to suspect that inventory liquidation is being overdone.

There are many reasons for this. Among them, one solid—if temporary—reason is the cut-back in defense orders. Plants with no orders on hand, as the result of last summer's economy drive at the Pentagon, couldn't very well maintain inventories on the strength of newspaper reports that more orders were "just around the corner."

Although the Russian "Sput-

niks" put new impetus behind our military program, the first result has probably been more confusion than help to business. With the whole Defense program under review and no clear or convincing statement of what our new program should be, the clamor to have U. S. "Sputniks" has been no help. It has probably been a considerable hindrance to business planning—to say nothing of the depressing psychological effects of this development.

Another temporary depressant on business and consumers alike has been the widespread epidemic of flu—Asiatic and other varieties—over the fall and holiday shopping seasons. It put about half of the population in bed for at least a day, according to the Public Health Service. It hasn't helped shopping, factory payrolls, or housewives' tempers to have husbands and children home ailing.

### Automobile Prices Rise

We have had the auto industry raising many of its prices in the first month of really bad driving weather and then seeming perplexed as to why people don't buy cars the way they did on those fine fall days of sunshine and discount prices. The public disinterest in the extra chrome weight of some of this year's new auto models appears to be superlative although flu and the weather could have something to do with that too.

None of these disturbances is of a really basic nature. So in the course of 1958, business will probably turn upward—and in some sectors it could turn fast. These will be the areas where inventory liquidation is being overdone now. Among them are steel, copper, and other metals, various semi-finished metal products and components—and in another area, textiles and apparel.

### Upward Trend Explained

In addition to the normal turnaround to rebuild stocks after a period of depletion, business will get a special upward twist in 1958 from the rebound in the Defense program. Just when and how fast this will come isn't certain, but the revised plans clearly point upward. And the turn could be very fast.

A swing-around in the Defense program, plus the discovery that inventories were too run-down, could easily shift business psychology toward fear of inflation as quickly—and perhaps with as little good reason—as the recent shift toward fear of depression. The successful purchasing agents will keep their eyes on the real facts of business and resist the tendency to operate on popular emotion.

**It seems clear also that 1958 will be a year of wide variations from industry to industry.** So just reading the general business outlook or going by some general economic projections won't be enough to provide a basis for effective purchasing action. And it won't be correct to judge other industries by what's happening in your own. Here is a summary of the industry-by-industry outlook prepared by the McGraw-Hill Department of Economics:

In 1958 we are half way through this wave of new product development that started in



AUTHORS ROBERT P. ULIN AND DEXTER M. KEEZER, right, take a look at one of sources used in preparing outlook story for "Purchasing Week."

1955-56 and will surely be upon us by 1960. It is not too early for the purchasing agent to start checking on these scientific trends that will completely change the nature of 10% to 20% of the products he is buying two years from now.

**Finally, 1958 is likely to be a year in which the "rules of the game" may change considerably, i.e., the ground rules under which business operates in attempting to buy and sell at a profit.** Congress and the Administration will take action early in the New Year on taxes, credit policy, and regulation of business and labor on many fronts.

### Credit Policy to Be Studied

Already scheduled is one of the most searching inquiries into monetary and credit policy that has ever been conducted and further inquiry into management-labor relations. An extensive tax reform bill is before the Senate, with many technical changes in the area of business taxes. Tariff policy is coming up for extensive debate and new legislation that will surely affect the prices of imported goods.

Important new labor contracts are to be negotiated in 1958, involving demands for both higher pay and shorter working hours. And the government may not be as disinterested in these negotiations as it has been in other recent years.

### Defense Spending Up

Most important of all, we seem to be at the beginning of a new upswing in Defense expenditures that may potentially involve government controls—one way or another—over many types of materials and plant facilities, as well as inflationary problems for the general economy. It is too early to tell whether these problems will actually materialize, but possibility cannot be ignored.

All of these changes in the over-all picture will have effects on the cost of doing business. Many of them will be specialized effects that will show up in day-to-day conditions of purchasing. The alert purchasing agent can help his management by continuously watching for such broad changes in the general economy, as well as the short-term changes that show up in his operations.

**Capital goods producing industries** will be sliding in 1958. The machine tool industry, after several years of very high activity, will have tough sledding in the year ahead. Backlogs now

account for only three months of future work, and output in this industry may be down as much as 35%. Railroad equipment manufacturers also face the same magnitude of decline, with freight cars on order down to 60,000 units compared with 115,000 units a year ago.

Output of heavy electrical apparatus will be off very little—perhaps only 5%—because relatively high backlogs will continue to give producers of heavy electrical apparatus a cushion from which to work. Even the capital goods growth industries—instruments, controls, and office machinery—will not make the sensational output gains we are accustomed to. Output of these industries is expected to range from the same as last year to slightly higher.

**Consumer durable industries** may stabilize in 1958. If auto prices are discounted enough during the coming year, there is a good chance that sales and output of cars will match the 1957 performance. This year will probably see some gains in output registered by the appliance industry and producers of radio and television sets.

The trend in appliance output is closely geared to the trend in housing completions as so many appliances are now part of the completed housing unit. With the number of new dwelling units expected to increase about 5% from the 1,040,000 units of last year, a gain of 5% in appliance output also is projected. And increased production of transistor radios, portable TV's, and possibly color television in 1958 should mean a slight increase in total unit production of electronics for the consumer.

**Nondurable goods industries** will provide some lift for the economy in 1958. Rubber, chemicals, petroleum, textiles, apparel, and food should register gains ranging from 1 to 5%. But rubber is the only nondurable goods industry which is expected to do better in 1958 than its historical growth rate.

With industrial output averaging 3% lower in 1958 than in 1957, the chemical, petroleum, and paper industries will not get the usual stimulus from industrial demand. But the consuming public will still be buying more drugs, paints, clothes made from synthetic fibers, gas and oil, writing paper, foods, and beverages to provide some boost in output of soft goods in the year ahead.

## Capital Outlays To Drop 7%

(Continued from page one)

industry is now operating at a lower rate of capacity than it generally prefers.

How close will businessmen adhere to these plans? A final McGraw-Hill survey scheduled for April release should give a better answer.

However, past experience indicates that these plans will generally hold up. Two special counterbalancing forces would also seem to indicate little change.

On the one hand, with business down, some pessimistic businessmen may decide to cut outlays even further. But this should be offset by the easing up of supplies brought about by lower demand. This usually means some speedup of construction activity and equipment deliveries.

## Shippers To Fight Rate Hike

(Continued from page one)

petition late last month, industry sources were confident they would get pretty much what was requested. Then opposition began to blossom.

"I feel the railroads have gone too far this time," Ted Chapman, president of the National Small Shipments Conference told PURCHASING WEEK.

Pointing out that rail officials have requested the I.C.C. to grant the increases without the usual protest machinery, Chapman said:

"We don't feel the I.C.C. will move along those lines; therefore we are mapping plans to fight any new rate hikes.

"We have called a special meeting of conference members for Jan. 8 in New York City.

"A tentative meeting has been scheduled there for Jan. 15 at which time our attorneys will meet with I.C.C. and railroad representatives."

Shippers have until Jan. 20 to file written protests. Oral arguments are scheduled for Jan. 29. The I.C.C. then has until Feb. 1 to act.

The roads' proposed freight rate increases mark the 15th such request filed since World War II. The agency has granted a combined 107% hike in charges over that span.

Need for a new round of freight increase, the railroads said, stems from higher labor and operating costs.

These range from wage increases granted last November to such items as higher insurance charges; equipment costs; and increased costs from fringe benefits, pension systems, group life insurance plans, etc.

In all, the railroads claim that costs have gone up about \$300 million.

Among those expected to fight this rate hike is the Transportation Council of the N. Y. Commerce and Industry Assn.

It called a special meeting on Jan. 2 to discuss the tariff and to formulate whatever protests they would make.

There is not complete agreement among the railroads themselves, however, that continual hiking of rates is the answer to their financial problems.



## Inventories Pose Big ? for P.A.'s

(Continued from page 1)  
omy moves. We're not trying to outsmart any economists."

M. F. Jones, P.A. for Homestead Valve Manufacturing Co., Corapolis, Pa., feels:

"Our policy for now will be to buy enough to keep our inventories apace with our sales. We are, however, looking for business to improve early in 1958; so our buying should step up."

H. W. Abramson, director of purchases for Consolidated Western Steel, division of U.S. Steel in Los Angeles, puts it this way:

### Business Drop Blamed

"With the business economy going backward so fast, we have to keep a close watch on business conditions and maintain our inventories accordingly."

The consensus indicates that hand-to-mouth inventories, revived mainly out of necessity last year as in 1954, will probably remain in effect for at least the next six months.

The reasons are as many as the exceptions are few.

"Tight money," explains Jerry Gatz, of Pittsburgh Reflector Co., manufacturer of electrical equipment, "has affected our buying and inventory policies indirectly in that it has probably had something to do with the general decline of business."

"The latter has in turn put us on a buy-what-you-need basis."

Jack Bailey, purchasing executive for Enterprise Engine & Machinery Co. in San Francisco, has a similar explanation.

### Tight Money Cuts Stocks

"The tight money situation has made it harder to borrow, puts a higher premium on capital, and makes the company reluctant to sink capital into big inventories."

Purchasing agents agree almost unanimously that the recent easing of Federal Reserve discount rates has had little or no effect on their planning.

Among the few exceptions is the purchasing executive for a Seattle building materials firm.

He feels the relaxation of discount rates might affect an increase in residential buildings thus bringing increased business to the plywood and hardboard manufacturers his company serves.

"But no effect has been felt as yet," he adds.

The purchasing director for a farm equipment firm in Milwaukee suggests that an impact might be felt "if our short cycle business would pick up."

The PW survey concludes that P.A.'s are currently holding to two basic policies, keeping inventories at their present low levels or cutting back.

"We have done no buying for quite some time," explains J. L. Montemurro, P.A. for Schnabel Co., Pittsburgh truck body manufacturer, "and we intend to sit tight for awhile, working with what we have. Right now, we have a month supply on hand."

William H. Rose, P.A. for Custom-Aire Products, a furnace and wall heater firm in San Francisco says his inventory is at the "lowest possible level, 30 days on most items, 45 days on steel."

"Whether we start building up our inventories," he figures, "will depend on whether we get a sustained upswing in sales."

The director of purchases for Shwayder Bros., a major luggage manufacturer in Denver, says his firm has been "inventory conscious" for some time.

"We're working on a 60-day inventory and have been for the past few years," he remarks. "We'll certainly hold to that during the first part of 1958. We see nothing requiring adjustments either up or down at this time."

As to cutting back even further, Tom Paterson, P.A. for Gates Rubber Co., Denver, says:

### Availability Emphasized

"On the maintenance, operating, and repair materials we have in the past held to a 45 to 60-days inventory. But we are reducing because everything is readily available. We're letting the supply houses carry the inventory."

In many cases, the survey shows, reduction of stocks is almost impossible because of the present low levels.

"We're holding the reins pretty tight on purchases," observes the P.A. for a Milwaukee construction machinery company. "But on raw materials we're as low as we want to go. In one division we've already had to go into the market for steel for February delivery."

P.A.'s differ greatly on whether restricted inventories make them miss out on the advantages of quantity buying and how serious a handicap this is.

This problem is given careful thought by M. S. Gamble, P.A. for Dearborn Stove Co., Dallas, makers of circulating heaters.

"We always take into consideration the advantages of quantity-buying prices," he said.

Taking another view was Dave Mastropieri, P.A. for American Latex Products Corp. in Hawthorne, Calif.: "Maybe we miss out sometime on prices, but price isn't the only factor."

### Stock Space Wasted

"If we stock too far in advance just to get the price break, we'd be wasting storage space and tying up capital unnecessarily. Under the circumstances we have no misgivings about our policy."

The PW survey fails to indicate exactly when the belt on inventories will be loosened. P.A.'s can only guess according to business predictions.

But it does show, on the other hand, that some have decided to keep low inventories no matter which way the teeter board swings.

In almost all cases, purchasing executives take a dim view of the possibilities of banks cutting interest rates on business-inventory loans. Most have no indication if banks in their area plan to do so.

The saving factor in the present hand-to-mouth inventory policies appears to be simply this—few if any items are short.

"That is one of the main reasons it isn't necessary to maintain a big inventory," says Jack Bailey of Enterprise Engine & Machinery Co.

"Suppliers' warehouses are bulging, and we don't have to order far in advance. And if we don't have to keep big inventories, we won't because we aren't sure what our future needs will be."

## Prices to Level On Lead, Zinc

(Continued from page 1)  
of the picture indicate that if they rise much, they will quickly slip back again. Here's why:

To show the over-supply picture, domestic miners cite these figures:

### Domestic Demand Cited

Domestic demand in 1956 was for 1.2 million tons of lead. Estimated current supply is approximately 1.8-million tons, made up of domestic production, imports, and fast rising inventories. For zinc, last year's total demand in the U.S. ran 1-million tons. Current supply is figured at about 1.5-million tons, including the same sources.

Domestic miners further cite rising stocks and imports together with declining domestic production to show their plight.

U.S. producers are counting on import duty boosts pending before the Tariff Commission to raise prices on foreign metals at least to domestic levels. The U.S. miners made their plea at hearings last November. The commission is expected to make its recommendations by early next month. These then to go to the White House for final approval or rejection.

Domestic producers have asked, and are likely to get approved by the White House, increases of 1-1/16¢ per lb. on pig lead, and 1.4¢ on slab zinc. These new rates, if added to the foreign price, would directly reverse the current spread between the domestic and foreign price on zinc, with imports selling at 0.7¢ below domestic. On lead, the spread would be nearly closed as imported metal is going for 1/4¢ less than domestic.

### Hope Hangs on Tariffs

Domestic producers are hoping the new tariffs, if and when granted, will discourage imports on a domestic market already over-supplied.

But if domestic prices rise significantly after the tariff boosts, the price spread will again make it attractive for foreign producers to step up imports again, thus again driving the price down.

Therefore, the problem of over-supply becomes serious to producers, and the ideal solution to help them is reduction of surpluses to the point where the increasing demand can catch up. The government has been buying an estimated 5,000 tons of lead and 11,000 tons of zinc from domestic output each month for its stockpile as a sort of siphon for the surpluses. But this program is running out. Defense Mobilizer Gordon Gray says it won't go on much after the Tariff Commission action on tariff boosts.

The end of this program, part of the general reduction of government stockpile purchases as the strategic stockpile reaches its long-term goals, will thus have the effect of counter-balancing the reduction of imports.

But whether or not the new tariffs and death of government purchases evenly balance out, the price of both metals to consumers seems economically tied to a point somewhere around the current rates.

One hope both domestic and foreign producers hold dear is that new markets for lead and

This Week's

# Purchasing Perspective

JAN. 6-12

(Continued from page 1)

business and industry when the cloud of downturn and leveling processes appeared.

Meanwhile, what gives with business generally? The outlook for 1958? PURCHASING WEEK's talks with P.A.'s from coast-to-coast produced varied reactions to the interlocked problems of inventory-tight money-production. But it drew these responses:

• **Industrial buyers generally regard as dim any hope for a substantial upturn before mid-'58.**

• **Optimistic or gloomy, P.A.'s are playing it cagey. It's a close-to-the-belt and a we're-not-trying-to-outsmart-the-economists theory of operation.**

**Be forewarned but not dismayed by unhappy predictions for general business behavior during next 12 months.** Governmental activity is working on the upside (See Washington Perspective, Page 4). **There's also plenty of confidence all around that '58 is going to equal, probably top, 1957 in general business activity.** Just last week Commerce Secretary Weeks assessed 1958 prospects as one of our very good years. Gross National Product, the government's yardstick of business activity, is due to equal, most likely surpass, last year's whopping \$434.5-billion mark.

**How you and your firm fare will depend to a major degree on you.** This is definitely the year for the P.A. to make his mark in what promises to be the most competitive year businesswise in more than a decade (See "P.A.'s Have Opportunity," Page 1).

**The fast-moving months ahead will more than test your mettle pricewise.** Cheers that still echo over return of a buyer's market and easy supply on all items still haven't resounded over prices. Cross out any hopes of share price drops. **You're going to have to play it by ear** (Price Perspective Page 2).

**The squabble over higher freight tariffs** (See Page 1) **means huddles with your traffic manager** or some outside expert are a must. Any costs you cut here are new profits.

**Everything points to closer cooperation with management as a mark of purchasing success.** For example—the case of a P.A. in New England who complained last month his biggest problem is trying to get a complete forecast from management as to what sales and production intend doing this quarter and next. "I'm stymied," he said in effect, "unless management gives me a complete picture of what production needs will be."

Contrast this with easy chair pose of the mid-Western executive who sits down each month with a management planning group for a **monthly** inventory review. He asks for figures on orders for the current, the two succeeding months, and an estimate for the fourth month in advance. This procedure—coupled with firm supplier agreements—saves many dollars . . . all in the profit column.

zinc can be developed. This will take more research and development than is being done, but producers are beginning to think in those terms. Another partial answer is possible production controls. But these are taboo in the eyes of most governments and if taken on privately would smack of cartelization.

The picture is further complicated by the split character of the producing industries. Some domestic mining interests are already expanding overseas, therefore are concerned with imports as well as domestic output. This trend is increasing. Secondly, smelters and processors in the U.S. depend on foreign imports—at a cheaper price—to turn out semi-finished forms of the metals. These companies favor a lower tariff boost on lead and zinc ores and concentrates than on the pig and slab metals—a compromise the Tariff Commission may recommend. In any case quotas are opposed by all but domestic miners.

## Mineral Output Rose To \$18.3 Billion in 1957

**Washington**—The dollar value of domestic mineral production in 1957 rose \$803 million to \$18.3 billion, Interior Department's Bureau of Mines reported in its annual year-end survey last week. But the increase was due "almost entirely" to higher prices as output of many items, particularly metals, showed drops.

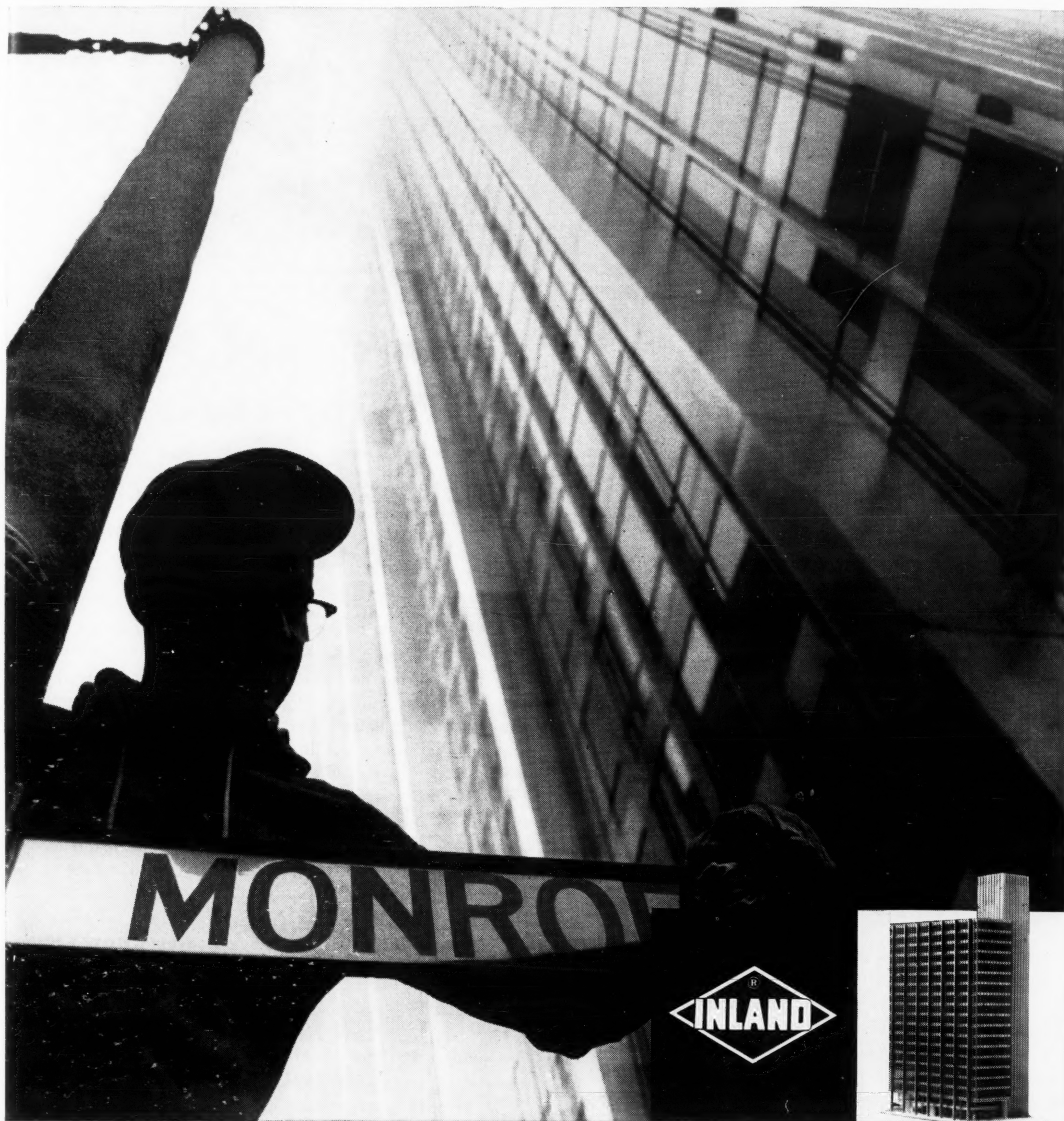
Fuels, largely crude oil and natural gas, made up most of the dollar boost because of both higher prices and bigger production output. Iron ore showed a sharp volume increase. Other rises in both volume and value were registered for barite, cobalt, diatomite, helium, ilmenite, mercury and uranium ore.

But base metals, including copper, lead, and zinc, dropped in both price and production as did anthracite, bauxite, cement, chromite, gypsum, phosphate rock, and tungsten.



# New location for a tradition

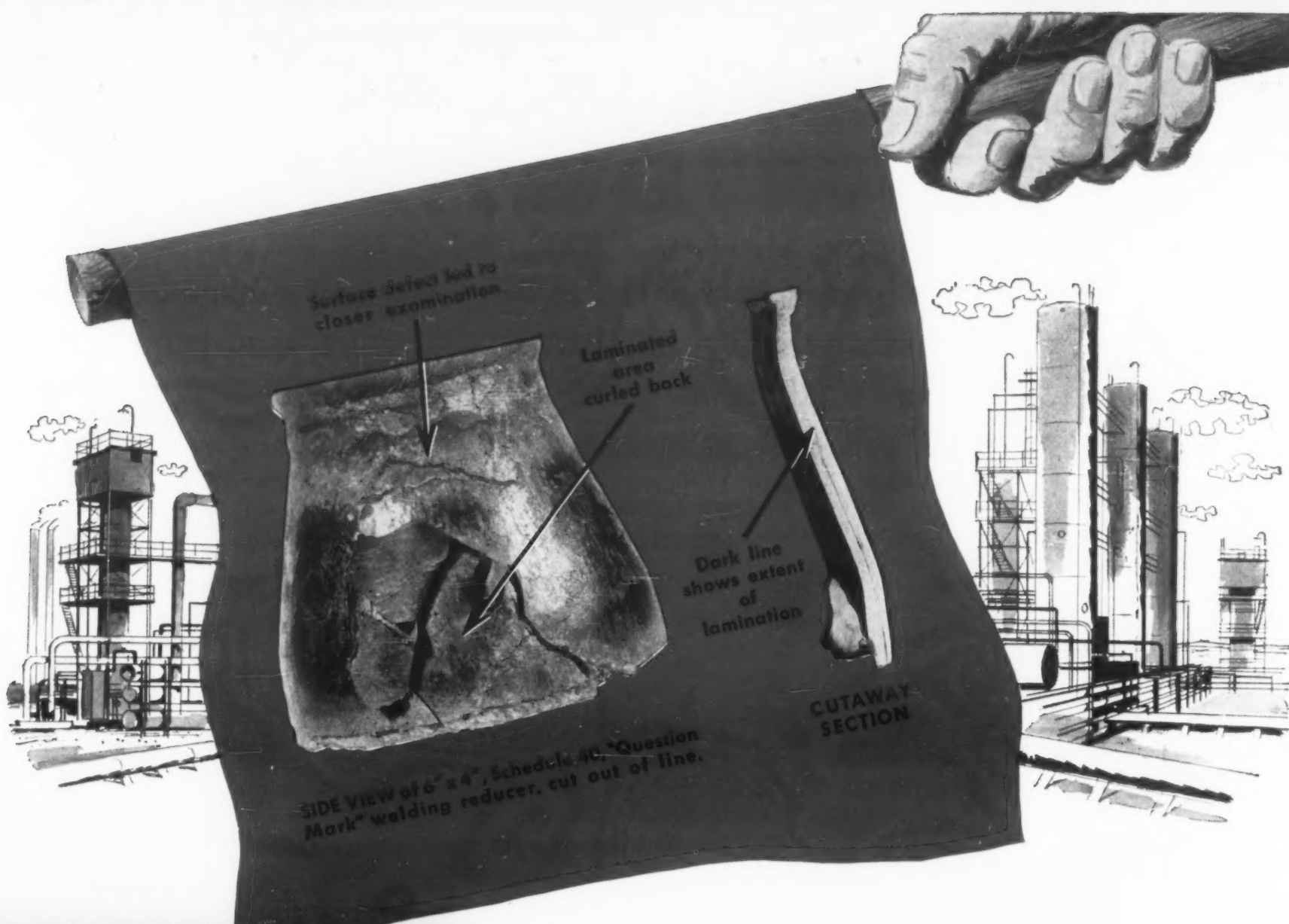
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